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TODAY: HEALTH SCIENCE For Remedy, Page 10

Currency Markets Ask: What Is Dollar Worth?

For Germans, Appropriate Level Is Near

By Erik Ipsen
International Herald Tribune

LONDON — The dollar retreated against the Deutsche mark Wednesday after hints from the head of Germany's central bank that the American currency's 22-month rally had gone just about far enough.

After months of sporadic statements welcoming the advancing dollar, the Bundesbank's chief, Hans Tietmeyer, signaled a change of heart, saying that the dollar's "normalization" against the mark had nearly reached its end.

"I believe that the process of normalization will soon come to an end," he said in Bonn. "The Deutsche mark will remain a strong mark."

Since hitting a postwar low of 1.3455 DM in March 1995, the dollar has now risen 22 percent, and by 5 percent in the last month alone. It closed in New York at 1.6443 DM, down from 1.6474 DM.

Mr. Tietmeyer's concern left currency markets pondering several crucial questions: What exactly is the normal level for the dollar against the Deutsche mark, or the yen for that matter? What power do authorities have to hold their currencies to levels they themselves deem appropriate?

The latter question weighs heavily on the minds of currency traders just now, as leaders of the seven largest industrial nations, the so-called Group of Seven, prepare for their meeting Feb. 8 in Berlin.

See DOLLAR, Page 12

For Japanese, Yen's Slide Goes 'Too Far'

By Andrew Pollack
New York Times Service

TOKYO — When the yen began its dramatic rise four years ago, executives and government officials here screamed that the strengthening currency was choking Japan's economy. Now that the yen has fallen back to near the level of four years ago, it would seem Japan Inc. should be shouting "Hallelujah."

Instead, they are worried again. Finance Minister Hiroshi Mitsuzuka said last week that the weakening of the yen "has gone too far." Some executives of electronics and automobile companies now say they would prefer a level of 110 yen to the dollar, not the current level near 120 yen.

What has happened, executives and analysts say, is that the structure of the Japanese economy has changed. Partly to escape the effects of the strong yen, export-oriented companies moved much of their production out of Japan, began importing more components, and cut costs in other ways.

That has made them less vulnerable to the rise of the yen, but also means they now benefit less when the yen falls.

"The Japanese economy is less sensitive to foreign currency fluctuations," said Mineko Sasaki-Smith, chief economist of CS First Boston in Tokyo. The yen's depreciation, she added, "doesn't have the reflationary impact on the economy that it had in the past, and we

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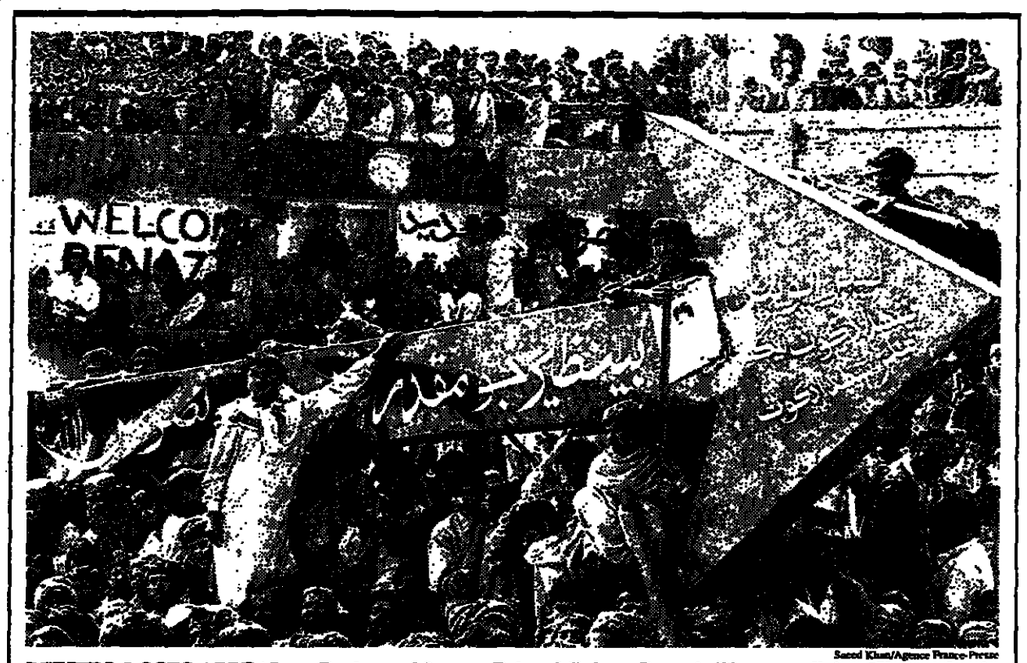

Saeed Khan/Agence France-Presse

BHUTTO LOSES APPEAL — Backers of former Prime Minister Benazir Bhutto, rallying Wednesday in Larkana, Pakistan. In Islamabad, the Supreme Court upheld the dismissal of her government. Page 4.

U.S. Sees Struggle For Power In Baghdad

Saddam's Wife Under House Arrest, Senior Officer Says

By Brian Knowlton
International Herald Tribune

WASHINGTON — Bolstering reports of ferment in Iraq, the White House claimed Wednesday that "complicated internal struggles for power" were swirling around the regime of Saddam Hussein.

The comment from Michael McCurry, the White House spokesman, followed a briefing by a Pentagon officer, General J. H. Binford Peay, commander of the U.S. Army Central Command, who reported that Mr. Saddam's wife was under house arrest in Iraq and that Mr. Saddam's son Udai, often considered the Iraqi president's heir apparent, might lose a leg from gangrene and could be paralyzed as a result of an attempt on his life last month.

Asked about the Pentagon report, Mr. McCurry said, "There have been some things that have happened there recently — the attack upon Hussein's son — there are obviously things that have been reported publicly that would indicate that there are some internal machinations."

Separately, Nicholas Burns, the State Department spokesman, said there was no evidence of any threatening military maneuvers by Mr. Saddam, but added, "We're watching him."

Reporters questioned Mr. Burns, at a regular State Department briefing, on why the government might want to raise the specter of Iraqi instability at this point, by "stirring the waters on Saddam," as one put it.

"I am not aware of any stirring of waters anywhere in Washington," Mr. Burns replied.

But Lawrence Korb, a former assistant defense secretary in the Reagan administration who is a senior fellow with the Brookings Institution, said there were several reasons for the administration to draw attention to Iraq.

First, he said, the new security team

See IRAQ, Page 7

At Spanish Church, Donations by Visa

A church in northern Spain has installed a so-called electronic alms box at its entrance.

At San Claudio's Church in the city of Leon, the faithful can make a donation by inserting a bank or credit card in the machine and punching in an amount. It provides a receipt that can be used to claim a tax deduction.

The electronic alms box is believed to be the first of its kind in Spain, according to the Spanish Episcopal Conference in Madrid.

The reason for the machine, one of the priests at the church, the Reverend Roberto Asenjo, said, was to keep up with the times, because "there are many people who don't carry cash to Mass."

The method would also reduce theft from the alms box and would allow parishioners to make donations whenever they wanted to, priests said.

The Reverend Mario Gonzalez, secretary-general of the Leon diocese, said: "It's not that people weren't helping the church. But they need to help more." Page 7.

Duping the Desperate

Scams Bedevil Once-Communist East Europe

By Edmund L. Andrews
New York Times Service

FRANKFURT — As Albanian leaders began blaming one another this week for a series of investment swindles that have cost people hundreds of millions of dollars, experts said the debacle fit neatly with a pattern that has now bedeviled almost every formerly Communist country in Europe.

The collapse of Albanian pyramid schemes in the last two weeks, igniting riots in Tirana, the capital, and other cities, was almost identical to calamities for tens of thousands of people duped by similar schemes in Russia, Romania, Bulgaria, Serbia and other places.

In each case, companies bombarded people with promotions that guaranteed phenomenal returns on their investments — 30 percent a month, in the case of one Albanian scheme. The schemes have typically had a carnival quality: they were not predicated on investing in a new company or real estate, but rather on the magical allure of making money from nothing.

By Western standards, the schemes are breathtakingly transparent. Pyramid or Ponzi schemes have been a part of the history of the United States and other developed capitalist countries. Most of them outlawed these operations a long time ago, but they continue to crop up in new variations. Strictly defined, a pyramid scheme is an enterprise that rewards initial investors or customers with the money paid in by later customers.

Only the poorest will be reimbursed first, Albanian leader says. Page 7.

The guarantees of huge profits in Albania were impossible. The promoters offered no explanations for how profits would be made. The advertisements, dwelling on images of fast cars or exotic beach vacations, would raise an immediate red flag in the United States or Western Europe.

Yet hundreds of thousands of people in the former East Bloc have flocked to such schemes. According to one ana-

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Toyota Links Investments To U.K.'s Embrace of Euro

By Erik Ipsen
International Herald Tribune

LONDON — Toyota Motor Corp. shifted the debate over Europe's single currency from the theoretical to the practical Wednesday, reportedly threatening to limit its future investments in Europe to countries that are part of the European Union's planned single currency.

That would be bad news for Britain, which has received the bulk of the Japanese carmaker's billions of dollars of investments in Europe so far and which shows little inclination to quickly climb onto the single-currency bandwagon.

Rather than threatening an outright withdrawal from Britain should its government shun the single currency, Hiroshi Okuda, Toyota's president, said in Tokyo that the company would simply put its British stakes on hold.

"But if we were to make fresh investments, we would prefer to make them in Continental Europe rather than Britain," Reuters quoted him as saying. In London on Wednesday, a Toyota spokeswoman said she could not confirm the report.

Alan Marsh, vice chairman of Toyota Motor Europe, told The Times last week that his company was alarmed that some Conservative Party politicians who were skeptical of the EU's unity plans were talking not only of rejecting the single currency but also of pulling out of the Union altogether. That, he said, "would be of great concern to Toyota."

But a spokesman for Honda Motor Co., which also has a big presence in Britain, said late Wednesday, "We are totally committed to the investment in Britain, irrespective of whether Britain joins EMU," Agence France-Presse reported from Tokyo.

A British spokesman for Nissan added that it did not agree with the Toyota president's reported views. "We think Britain is the right place to be," he said.

[The government reacted quickly to Mr. Okuda's comments, Reuters reported from London. A spokesman for Prime Minister John Major said, "I am not going to take it at face value." But he pointed to Toyota's announcement last year that it would invest an additional £200 million ($322 million) to increase capacity at its plant in Derbyshire, which would create about 1,000 jobs.

["That indicates to me great confidence in the United Kingdom," the spokesman said. Saying that figures showed Britain was still the leading destination for investment into Europe, he added, "The United Kingdom is the place to be and will remain so."]

While other business leaders — foreign and domestic alike — have long insisted that their plans in Britain hinged on the country remaining part of Europe's single market, none has ever taken a similar line with regard to participation in the single currency.

Manufacturers' ability to make everything from cars to computers in Britain and sell them on the Continent has long ranked as a business essential. But while surveys generally show big business favoring the single currency, none have called it a make-or-break factor for further investment in Britain.

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U.S.'s Training of Bosnians: Smoothing Its Exit?

By Bradley Graham
Washington Post Service

TESANJ, Bosnia-Herzegovina — As Bosnian Muslim soldiers spread out to practice defending a snow-covered hill one day recently, Bob Oberlender, a retired U.S. Army sergeant, moved among them, advising where to set up machine guns, where to aim rifles and what to do if a squad member got shot.

The Bosnians listened intently, eager to learn the American way of fighting. They said that if the instruction had come earlier, it would have helped them defeat the Serbs. But at least it is coming now, they added, preparing them better for the next war.

"These lessons are all very useful to know," said Muhamed Turkes, 20, crouched with his AK-47 rifle under a beech tree only a mortar shot away from Bosnian Serb territory. "You never know what will happen next here."

While NATO-led forces try to secure an unsteady peace in Bosnia, a small corps of retired U.S. military personnel — with official American backing and financing from the United States and Islamic countries — is running an unusual effort to turn worn soldiers into a freshly intimidating army. By rearming and retraining the Bosnian Muslims and Croats, who were outgunned by the Serbs during Bosnia's three-and-a-half-year war that ended in 1995, the program's proponents hope to establish a rough balance of military power in the region and ease the withdrawal of foreign troops.

It is an enormously ambitious undertaking, given how poorly trained and ill-equipped the Muslim and Croat military forces are. Complicating matters, most European governments want no part of the program, and some senior U.S. military officers have reservations about it too.

Pouring new weaponry and military instruction into the Balkans, they say, is an invitation to renewed conflict and undercuts enforcement of arms-control limits. Some European officials also worry that as tensions inevitably rise over refugee resettlement and other issues, the Bosnians, emboldened by their new American training and weapons, could turn against peacekeeping forces.

NATO commanders in Bosnia are monitoring the program closely and giving it little leeway, restricting where and when Bosnian units can train. This month, peacekeeping forces seized part of a U.S. tank-ammunition shipment, asserting that the Bosnians had underreported the number of rounds, an accusation U.S. government sponsors disputed.

"One side in Bosnia is being built up before the peace agreement has taken root," Hrair Balian, who heads the Sarajevo office of the International Crisis Group, a nonprofit watchdog organization, complained about the program.

"With tensions likely to rise in the next six months,

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The Dollar

New York	Wednesday close	previous close
DM	1.6443	1.6474
Pound	1.62	1.617
Yen	122.175	121.025
FF	5.545	5.557

The Dow

	Wednesday close	previous close
+84.66	6740.74	6656.08

S&P 500

change	Wednesday close	previous close
+7.48	772.50	765.02

Newsstand Prices

Bahrain	1.000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. Sh. 150	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim.$30.00

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AGENDA

Mideast Leaders Set Clinton Visit

WASHINGTON (Reuters) — The leaders of Israel, the Palestinians, Egypt and Jordan will hold separate meetings with President Bill Clinton in the next two months, the White House announced Wednesday.

Michael McCurry, the White House press secretary, said Prime Minister Benjamin Netanyahu of Israel would visit Washington on Feb. 13; Yasser Arafat, president of the Palestinian Authority, on March 3; President Hosni Mubarak of Egypt on March 10, and King Hussein of Jordan on March 18.

The working visits had been expected, but dates had not previously been set.

New York Applies Pressure on Swiss

NEW YORK (Reuters) — The city and state of New York sent warnings Wednesday they would make it hard for Swiss banks to operate in New York unless the Swiss created a fund for Holocaust victims. The state assembly will determine how to revoke a foreign bank's license or certification, and the city council chief filed a bill to bar city deposits in Swiss banks.

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Leighton Mark/The Associated Press

HERE'S MR. AMBASSADOR! — Senator Jesse Helms, right, with Bill Richardson, nominated as U.S. ambassador to the United Nations. Mr. Helms predicted an easy confirmation at a hearing Thursday.

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Movers and Shakers Meet in the Alps

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FBI Lab's Reputation Put in Doubt

ASIA/PACIFIC Page 4.
China Urges Koreas to Discuss Unity

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Sports ..... Pages 18-19.

International Classified Page 4.

U.S. Callback Firms Face New Tax in EU

The European Union moved Wednesday to close a tax loophole that helps American companies make millions by offering Europeans cheap international phone calls.

Responding to requests from all 15 EU member nations, the European Commission proposed that a value-added tax be imposed on non-European phone companies to protect European operators. (Page 11)

A Prediction for China

Triumph of Liberty Is Inevitable, Clinton Says

By R.W. Apple Jr.
New York Times Service

WASHINGTON — President Bill Clinton said that his doctrine of "constructive engagement" with China had failed to engender the progress on human rights last year that he had hoped it would, but he added that he still believed "that the policy we're following is the correct one."

At a moment when Washington and Beijing are in the process of setting up reciprocal visits between Mr. Clinton and President Jiang Zemin of China, the president came close Tuesday to predicting the ultimate demise of the Communist government.

"I believe that the impulses of the society and the nature of the economic change will work together," he said, "along with the availability of information from the outside world, to increase the spirit of liberty over time."

Mr. Clinton added: "I don't think that there's any way that anyone who disagrees with that in China can hold that back. I just think it's inevitable, just as inevitably the Berlin Wall fell."

Administration officials said that the annual U.S. report on human rights around the world, due to be made public Thursday, would sharply criticize China. It is said to conclude that there are no active dissidents left in China all having been jailed or sent into exile.

One official said the report made no effort "to disguise China's retreat on human rights in 1996."

[China hit back at the criticism of its human rights record, accusing Washington on Wednesday of prejudice over the issue and saying its successful protection of freedoms was "obvious," Agence France-Presse reported from Beijing.

[The Foreign Ministry in Beijing issued a statement saying that only "people without prejudice" could make a fair judgment on the human rights issue.

["It is obvious for all to see that the Chinese government always protects and promotes the legal rights of all its peoples in accord with the constitution and law," the brief statement said.]

The president's concession that his China policy had produced disappointing results represents a distinct shift away from optimism.

Mr. Clinton has declined to treat progress on human rights or on restricting the spread of nuclear weapons as prerequisites for high-level meetings and preferential trade status. His critics say this policy has the effect of putting economic considerations ahead of all others and taking the pressure off China's leadership.

The president disagreed. He said he still believed that working with China on issues "where we can agree" and

See CHINA, Page 6

Free-Market Forum / **Wingtips in the Snow**

At Davos, Networking for the World's Most Powerful

By Craig R. Whitney
New York Times Service

DAVOS, Switzerland — Starting Thursday, this Alpine ski resort will be the place to be — at least for the likes of Bill Gates, Microsoft's chairman, and John Welch, the chairman of General Electric.

Newt Gingrich, the speaker of the U.S. House of Representatives, will also be there, rubbing shoulders with Boris Berezovsky, Boris Yeltsin's deputy national security chief and one of the most powerful executives in Moscow, and Kofi Annan, the new UN secretary-general.

The snow-covered streets will crunch under wingtips and tasseled loafers instead of ski boots, and famous names will jostle in the corridors of pricey hotels like the Derby and the Belvedere.

The occasion is the six-day annual meeting of the World Economic Forum, a gathering of political and business movers and shakers from all over the world.

The meeting and smaller forums in Africa, Asia, South America and elsewhere through the year have become powerful attractions, with hundreds of business leaders paying the $20,000 entrance fee per company to come to Davos to hobnob.

To many critics Davos, with its closed-door meetings of executives pursuing contracts and contacts with top politicians and pundits, symbolizes the new economic orthodoxy of the late 20th century.

Counter-Davos conferences have been organized to fight the idea that global free-market forces will inevitably triumph over government attempts to regulate, or that the elite that gathers in Davos has any claim to set the world economic agenda.

But with the companies represented in Davos doing an estimated $4.5 trillion a year of business, and people like Prime Minister Benjamin Netanyahu of Israel, President Hosni Mubarak of Egypt and the Palestinian leader Yasser Arafat all in Davos, the opposition view can seem like a cry in the wilderness.

Skeptics say that it's all just a lot of talk without a payoff, and that it takes about as much money from the attendees as a global financial pyramid would.

"It's the world's greatest Ponzi scheme," said Richard Holbrooke, who came last year, when he was an assistant secretary of state, to talk about peacemaking in Bosnia-Herzegovina. This year, Mr. Holbrooke will not attend, even though he said he had been invited to do so despite the fact that he is no longer a top corporate officer or top government official.

Those are the conditions of entry set by the Swiss business professor who dreamed up the Davos idea, Klaus Schwab, a 58-year-old entrepreneur, who rules over his creation as autocratically as the Wizard of Oz and has made it into a global enterprise.

"The company representatives have to be the actual chief executives," he said in a recent interview, though the forum's list of attendees includes some executives of lower rank. "And we never pay any honorarium to politicians who attend." Mikhail Gorbachev asked for one, Mr. Schwab said, but was turned down.

As for Prime Minister Viktor Chernomyrdin of Russia, Foreign Secretary Malcolm Rifkind of Britain and scores of other government officials, "we pay hotel rooms for the political leaders," he said, "but not for their entourage."

In Switzerland, people know Mr. Schwab as "the Professor." Admirers ascribe his success to tireless promotion of the forum, whose main attractions include world-renowned scientists or academic experts, noted authors and well-known journalists invited to serve on panels and attend other events at the forum without paying the $20,000 in fees. About 150 more journalists usually come to cover the news makers, though they do not have the run of the conference.

As for corporate chiefs, "the minute they lose their jobs, he tosses them out," said Eberhard von Koerber, president of ABB Asea Brown Boveri Europe Ltd., part of the international engineering giant, which pays $100,000 a year for "partner status" here.

About 1,000 companies pay an annual membership fee, raised this year to 19,000 Swiss francs — a little more than $13,000. This entitles them to attend this meeting and the regional ones, and covers the $11.1 million costs of the meetings. Banks and other financial institutions pay more — about $15,000 — and all must pay a further $6,000 or so to attend at Davos, plus transportation, hotel costs and meals.

The corporate partners like Asea Brown Boveri contribute even more, Mr. von Koerber said, because "it gives us a lot of privileged access to important meetings."

"Membership fees finance the infrastructure," he said. "The partnership arrangements finance our investments in the future."

INCOME from membership, sponsoring partners, investments and other sources amounted to more than $26 million last year, the forum reported. After paying $12 million for offices and staff, the forum reported a tidy surplus close to $3 million. This can be reinvested or sunk into projects like an interactive computer communications and video-conference system for members, which will be introduced at this year's meeting.

It was developed by Advanced Video Communications and other partners of the forum, and is being offered to members as a "hot line for global decision makers."

To be a member, "you have to have annual volume of a billion Swiss francs" — $700 million — Mr. Schwab said. Such requirements do not always go down well. Euan Baird, the head of Schlumberger Ltd., finds Mr. Schwab's advances easy to resist and will not be attending this year. Nor will Antonio Garrigues Walker, a prominent corporate lawyer in Madrid, who said: "I prefer the Trilateral Commission, which is a better opportunity for me to have lunch and breakfast with important people. Davos has become more a status symbol than a real opportunity to make contacts, and I found I was wasting my time."

There are hundreds of individual meetings and seminars during the conference, which this year focuses loosely on the effects of global communications and computer networks — and with the likes of Mr. Gates to spur them. The huge supporting cast includes European and Asian government ministers. Undersecretary of State Timothy Wirth is leading the Clinton administration contingent.

The forum's managing director, Claude Smadja, tells those planning to attend, "Contacts ultimately mean contracts," though Davos is not a trade fair. "It's an information market," Mr. von Koerber said, explaining why Asea Brown Boveri plays such a big role; Percy Barnevik, the parent company's president, is one of 12 board members.

"We see a lot of very important clients — governments and state organizations, especially from emerging markets with high growth rates, and all in a relaxed, confidential atmosphere," Mr. von Koerber explained.

RONALD Skates, president of Data General Corp., said the attraction was "talking to a lot of people you do business with in a nonbusiness setting."

"If you went over solely for the purpose of making deals, I'm sure you'd be a social pariah," he said. "It's like playing golf with customers, only much more sophisticated."

To preserve the impression of exclusivity, Mr. Schwab and his staff also organize closed gatherings — for information-technology people, for example, or energy executives.

"The private meetings are more focused," said Charles DiBona, president of the American Petroleum Institute, who plans to attend this year. "In recent years, the energy ministers from countries like Tajikistan, Iran, Saudi Arabia and Tunisia have come," he said. "I learn what the company people are thinking about, how the Europeans think about things, and talk to people I can't see anywhere else."

Two hundred American companies are members, and forum executives would like to see more.

"We're just shy of 50 percent European companies," said Paul Smyke, a dual U.S.-Swiss citizen, who is the staff member in charge of recruiting new corporate members. "We have a philosophy — we call it the global thousand. Once we determine that a company has a global presence in sales or sourcing, we go after it."

The forum and its board are organized as a private foundation, not publicly accountable under Swiss law.

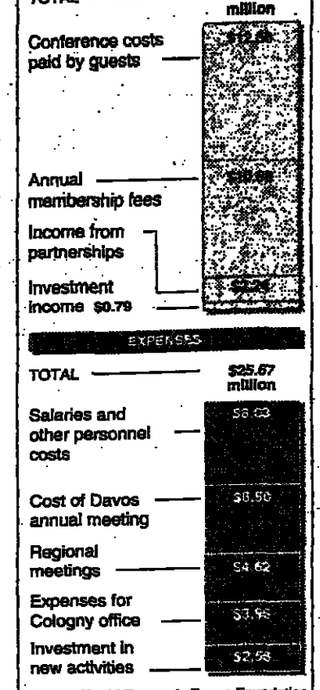
Exactly how well Mr. Schwab makes out financially he does not disclose, although he says his forum activities have landed him paid corporate board seats with companies like Vontobel Holding, owner of a big Zurich bank, and made him vice chairman of SMH, the Swiss company that makes Omega, Tissot, Swatch and Longines watches. He also teaches one day a week at the University of Geneva.

Swiss National Tourist Office/The New York Times

Skeptics say that it's all just a lot of talk without a payoff, and that it takes about as much money from the attendees as a global Ponzi scheme would.

The Annual Business of a Business Conference

The annual meeting of the World Economic Forum is also the most important money-making event for the private foundation that runs the forum. Here is a breakdown of the foundation's revenue and expenses for the fiscal year that ended on June 30, 1996.



Source: World Economic Forum Foundation

The New York Times

Syrian Says Peres Agreed to Golan Deal

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The chief negotiator for Syria in the now-suspended peace talks with Israel says that the two countries were on the verge of an agreement last year, based on an Israeli commitment to withdraw from the Golan Heights, but that the prime minister at the time, Shimon Peres, derailed the deal by calling early elections.

Walid Moualem, the Syrian ambassador to Washington, said the Israelis agreed in writing to withdraw to the borders that existed before they captured the Golan Heights in the 1967 Middle East war.

In an unusually detailed interview to be published in the forthcoming issue of the Journal of Palestine Studies, Mr. Moualem said Syria regards that supposed commitment as binding on the current Israeli government of Benjamin Netanyahu and as the starting point for any future negotiations.

Mr. Netanyahu says he will not surrender the Golan, saying control of the promontory from which Syrian guns formerly pounded the Galilee in northern Israel is essential to Israeli security.

But Mr. Moualem said in the interview that there could be no negotiations without an understanding that Syria would in the end regain the entire territory.

Mr. Peres's predecessor, Yitzhak Rabin, recognized in mid-1993 that Syria would not make peace on any other terms, Mr. Moualem said, "and we negotiated the details of the withdrawal element for almost a year, until July 1994, when we finalized the agreement on full withdrawal."

"Netanyahu wants to disregard the work of the last four years. If we accept the precedent of going back to square one every time there is a change of government we will never reach agreement," he said.

U.S. and Israeli sources familiar with the negotiations disputed Mr. Moualem's account.

They said he has overstated the extent of Israel's commitment in an effort to establish full withdrawal as a baseline, as the Palestinians did with Israel's promise to redeploy from the West Bank city of Hebron.

Mr. Moualem's account is "largely accurate, but not entirely accurate," said Itamar Rabinovich, a former ambassador to the United States who negotiated with Mr. Moualem on behalf of the Labor governments headed by Mr. Rabin and Mr. Peres. "It's slanted in places."

"One of the things he tries to do in that interview is to create the impression there was a written agreement. There wasn't," Mr. Rabinovich continued.

The spokesman for the Israeli Embassy here, Gadi Baltiansky, said: "There is no such Israeli commitment. There was no written agreement on any withdrawal."

A U.S. official said that there was, however, a "hypothetical" and "conditional" offer, as was widely reported at the time. "It was conditioned on Syria's meeting Israel's needs for security, and Israel's needs were not met." The offer was never formally conveyed to Syria, the official added.

Mr. Moualem's interview is perhaps the most detailed explanation from the Syrian point of view of why negotiations that seemed so promising at the beginning of 1996 never amounted to anything. It demonstrates that Syria's view of how to achieve peace was fundamentally different even from the dovish Labor government in Israel, to say nothing of Mr. Netanyahu's Likud.

Mr. Moualem said Tuesday that he gave the interview because people frequently asked him why Damascus did not seize what appeared to be a genuine opportunity to make the peace it claims to want. He also said he wanted to make clear the Syrian position that "we want to build upon what we already achieved," namely the supposed Israeli commitment to return all of the Golan.

Hamas Warns U.S. Against Extraditing A Leader to Israel

New York Times Service

GAZA — A spokesman for the militant Islamic group Hamas warned Wednesday that the extradition of one of its leaders to Israel by the United States would "severely arouse" his supporters and could provoke Islamic militants to "try to punish America."

"We are not threatening, but we are advising: This would not be a proper policy," said Mahmoud Zahar, the top Hamas official in Gaza.

He spoke after Mousa Mohammed Abu Marzuk was reported to have decided to drop his challenge to a U.S. court decision to extradite him to Israel to face terrorism charges.

Mr. Zahar said that Hamas would try to enlist the Palestinian Authority and its leader, Yasser Arafat, in urging the United States to send Mr. Abu Marzuk to a third country.

"Israel will gain nothing from more prisoners, and America will gain nothing by gaining a new enemy — Hamas," Mr. Zahar said.

TRAVEL UPDATE

Rail Strike in France

PARIS (AFP) — Rail traffic will be heavily disrupted Thursday in France by a strike called to protest a reform of the state-owned railroad SNCF, the company said Wednesday.

It said that although high-speed services would be normal on the Paris-London Eurostar and the Paris-Brussels Thalys links, only one in two high-speed trains would run in northern and southeastern regions of France and between Paris and Bordeaux.

The company said two TGVs out of three would link Paris with Tours, central France.

Ordinary main-line train services would also be disrupted in similar proportions, the company said.

Suburban services around Paris, the RER, would be cut by half on average, the SNCF said.

Airline Safety Data

WASHINGTON (AP) — The Federal Aviation Administration is planning to start releasing more airline safety information — perhaps even online — according to published reports.

While the agency will not attempt to rank airlines according to their safety, it is expected to begin releasing data about individual carriers, information that has been widely sought following recent accidents.

Disclosures that U.S. inspectors had been investigating safety problems at ValuJet prior to that airline's crash in May caused a clamor for the agency to report on the safety of various carriers.

Museums Get Face-Lift

WASHINGTON (WP) — The National Museum of American Art and the National Portrait Gallery, which occupy the historic Old Patent Office Building, will be closing to the public for a two-year, $42 million face-lift starting around January 2000, museum directors said.

The exact date for the closing has not been set. But the renovation of the Greek Revival building is expected to keep both museums — as well as the Archives of American Art, which shares the space — closed for two years.

During that time, climate control, fire, electrical, communications, elevator and other outdated and inadequate systems will be replaced.

Construction on the West Bank's first luxury hotel, the Park Plaza, will begin soon in Ramallah, the local Al Ayyam newspaper reported. *(AFP)*

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Pas de la Casa	150	200	Fair	Hard	Pckd	25/1	*all 29 lifts open, good cover*
Soldeu	40	180	Fair	Hard	Pckd	24/1	*all 21 lifts open, runs enjoyable*
Austria							
Ischgl	30	120	Fair	Hard	Pckd	21/1	*all 41 lifts open, 46km of scountry*
Kitzbuhel	10	45	Hard	worn	Var	30/1	*52/80 lifts open, patchy most levels*
Lech	60	180	Fair	icy	Pckd	21/1	*all 34 lifts open, good at altitude*
Mayrhofen	20	40	Hard	Closed	Var	21/1	*all 28 lifts open, pistes weaving*
Obergurgl	40	140	Good	Open	Pckd	21/1	*all 22 lifts open, most pistes good*
Saalbach	30	30	worn	Art	Var	21/1	*all lifts open, most slopes worn*
St. Anton	45	175	Hard	worn	Var	22/1	*all 32 lifts open, runs enjoyable*
Canada							
Lake Louise	130	170	Good	Open	Pckd	27/1	*all 12 lifts open, fresh snow to enjoy*
Whistler	70	245	Good	Hard	Pckd	23/1	*all 26 lifts open, well-groomed trails*
France							
Alpe d'Huez	90	250	Good	Open	Var	26/1	*74/88 lifts open, great skiing*
Les Arcs	65	175	Good	Open	Var	20/1	*73/77 lifts open, runs enjoyable*
Avoriaz	140	168	Good	Open	Var	21/1	*all lifts open, good cover throughout*
Chamonix	10	215	Good	Some	Var	26/1	*47/49 lifts open, great at altitude*
Courchevel	95	125	Good	Open	Pckd	20/1	*all 65 lifts open, cover remainsGood*
Les Deux Alpes	60	280	Good	Open	Var	22/1	*55/63 lifts open, icy/hardpiste*
Megeve	90	150	Good	Open	Pckd	20/1	*39/41 lifts open, well-groomed pistes*
Meribel	55	130	Good	worn	Var	25/1	*fully open, enjoyable high up*
La Plagne	100	180	Good	Open	Var	21/1	*102/111 lifts open, north runs best*
Serre Chevalier	105	303	Good	Open	Var	22/1	*69/75 lifts open, runs enjoyable*
Tignes	160	160	Good	Icy	Var	21/1	*odd icy patch otherwise very good*
Val d'Isère	80	320	Good	Open	Var	21/1	*83/100 lifts open, pockets of Pwdr*
Val Thorens	120	200	Good	Open	Var	21/1	*all 25 lifts open, pistes mostlyGood*
Germany							
Berchtesgaden	10	30	Fair	Closed	Pckd	21/1	*15/31 lifts open, somewhat limited*
Oberstdorf	15	70	Fair	Hard	Pckd	30/12	*all 39 lifts open, 54km of scountry*

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Italy							
Bormio	30	195	Fair	Art	Pckd	20/1	*14/16 lifts open, good above 2000m*
Cervinia	100	430	Good	Open	Pckd	19/1	*all 25 lifts open, greasiking*
Cortina	40	120	Good	Open	Pckd	26/1	*all 51 lifts open, odd bare patch*
Courmayeur	50	210	Good	n/a	Var	20/1	*21/22 lifts open, great ab. 2100m*
Livigno	85	200	Good	Open	Pckd	26/1	*30/31 lifts open, gd cover all levels*
Madesimo	105	380	Good	Open	Pckd	20/1	*16/17 lifts open, pistes enjoyable*
Selva	30	95	Good	Open	Pckd	26/1	*all 81 lifts and sella ronda open*
Norway							
Geilo	50	50	Fair	Hard	Pckd	16/1	*all 18 lifts open, 120km of scountry*
Switzerland							
Crans Montana	55	305	Good	worn	Var	21/1	*40/41 lifts open, all but lowestGood*
Davos	45	145	Good	Hard	Var	21/1	*all 55 lifts open, runs enjoyable*
Klosters	20	145	Good	icy	Var	21/1	*all 55 lifts open, good above 2000m*
Murren	70	140	Good	Hard	Var	20/1	*all 12 lifts open, best on schilthorn*
Saas Fee	55	250	Good	Icy	Var	27/1	*25/28 lifts open, great at altitude*
St. Moritz	40	180	Good	Open	Pckd	21/1	*all lifts open, essentiallyGood*
Verbier	50	180	Good	worn	Var	21/1	*72/74 lifts open, runs enjoyable*
Wengen	15	100	Good	Hard	Var	20/1	*all 20 lifts open, best at altitude*
Zermatt	45	275	Good	Art	Var	20/1	*69/73 lifts open in zermatt/arermatt*
U.S.							
Aspen	140	160	Good	Open	Pwdr	26/1	*fully open, welgroomed trails*
Breckenridge	155	195	Good	Open	Pwdr	26/1	*17 lifts and 126 trails open*
Crested Butte	160	205	Good	Open	Var	26/1	*all 13 lifts, runs and bowls open*
Mammoth	330	450	Good	Open	Pwdr	26/1	*13/30 lifts open, v. nice conditions*
Park City	195	295	Good	Open	Pwdr	27/1	*all 14 lifts and 89 trails open*
Vail	190	210	Good	Open	Var	26/1	*29 lifts and 4644 acres open*
Winter Park	170	195	Good	Open	Var	26/1	*all 20 lifts, 116/121 trails open*

Key: L, U: Depth in cm on lower and upper slopes. Mtn. Pistes: Mountainside pistes. Res. Pistes: Runs leading to resort village. Art: Artificial snow.

Reports supplied by the Ski Club of Great Britain.

find information on over 100 of the world's leading ski resorts online
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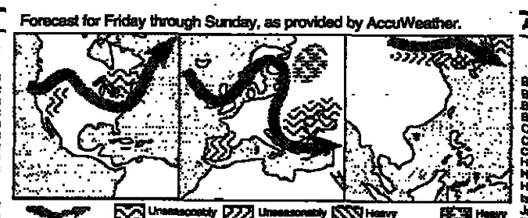
WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.



North America
Cold weather will cover much of the Northeast and mid-Atlantic through the weekend, while temperatures will moderate across the Great Lakes. The deep Southeast and Florida will run near to above normal. The Southwest and Rockies will be mild, while stormy weather will return to the Northwest.

Europe
A pool of unseasonably cold air will affect parts of southeastern Europe and Turkey this weekend. Parts of northwest Europe, including Amsterdam and Paris, could be a bit colder than normal Friday and Saturday. Otherwise, much of the rest of Europe will average near to above normal.

Asia
Northeastern China, including Beijing, and both Koreas, including Seoul, will be rather mild through the weekend. However, northern Manchuria will remain quite cold. A brief cold shot will move into Tokyo Saturday; otherwise, seasonable. Seasonable in Hong Kong and Singapore.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	19/66	12/53 sh	17/62	11/52 sh
Amsterdam	7/44	2/35 c	7/44	2/35 pc
Ankara	-6/22	-16/4 c	-3/27	-10/15 pc
Athens	9/48	2/35 pc	9/48	3/37 pc
Barcelona	12/53	6/43 c	11/52	6/46 sh
Belgrade	1/34	-5/22 c	1/34	-4/25 pc
Berlin	4/39	0/32 pc	3/37	1/34 pc
Brussels	7/44	3/37 pc	7/44	3/37 pc
Budapest	1/34	-4/25 c	2/35	-4/25 pc
Copenhagen	6/43	1/34 pc	2/35	-4/25 s
Costa Del Sol	17/62	11/52 sh	18/64	10/50 s
Dublin	8/46	6/43 pc	10/50	7/44 pc
Edinburgh	8/46	3/37 pc	8/46	3/37 pc
Florence	8/46	-1/31 pc	7/44	1/34 pc
Frankfurt	3/37	-2/29 pc	2/35	-7/20 pc
Geneva	6/43	0/32 s	6/46	1/34 s
Helsinki	1/34	-6/18 f	-5/23	-13/9 c
Istanbul	1/34	-4/25 c	-3/27	1/34 pc
Las Palmas	22/71	18/64 pc	22/71	18/64 s
Lisbon	16/59	13/55 r	15/59	10/50 sh
London	9/48	3/37 pc	9/48	4/39 pc
Madrid	11/52	8/46 r	11/52	5/41 r
Mallorca	11/52	7/44 c	9/48	5/41 sh
Milan	7/44	-3/27 s	7/44	-1/31 pc
Moscow	-11/13	-12/11 c	-3/27	-11/13 sn
Munich	3/35	-5/22 pc	2/35	-5/24 c
Nice	13/55	4/39 s	13/55	6/43 s
Oslo	0/43	-7/20 pc	-3/27	-6/16 pc
Paris	6/43	1/34 s	7/44	3/35 s
Prague	1/34	-4/25 c	2/35	-5/24 pc
Reykjavik	1/34	0/32 sn	4/39	1/34 sh
Rome	10/50	1/34 s	10/50	2/35 pc
St. Petersburg	-2/28	-3/27 sn	-3/27	-9/16 sn
Stockholm	0/43	-7/20 c	-3/27	-11/13 pc
Strasbourg	5/41	0/32 pc	6/43	1/34 pc
Tallinn	1/34	-8/18 r	-5/24	-13/11 c
Vienna	6/43	-3/27 pc	7/44	-1/31 pc
Vienna	3/37	-2/29 c	4/39	-2/29 pc
Warsaw	2/35	-2/29 c	1/34	-11/13 pc
Zurich	4/39	-2/29 s	4/39	-1/31 pc

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	24/75	14/57 s	28/79	14/57 pc
Beirut	13/55	8/46 r	10/50	4/39 pc
Cairo	15/59	6/43 pc	14/57	4/39 pc
Damascus	8/46	0/32 pc	7/44	-2/29 pc
Jerusalem	8/46	1/34 pc	6/43	-1/31 pc
Luxor	21/70	1/34 t	21/70	2/35 s
Riyadh	24/75	12/53 s	24/75	11/52 s

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	-1/31	-7/20 sn	0/32	-5/24 sn
Atlanta	9/48	0/32 sh	9/48	1/34 pc
Boston	-4/25	-9/16 pc	-4/25	-8/18 pc
Chicago	-8/18	-11/13 pc	0/32	-3/27 pc
Dallas	11/52	-1/31 s	18/64	4/39 s
Denver	13/55	-2/29 s	13/55	2/35 s
Detroit	-8/18	-11/13 c	-2/29	-7/20 c
Honolulu	27/80	20/68 pc	30/86	21/70 pc
Houston	14/57	6/43 pc	17/62	6/43 pc
Los Angeles	25/77	9/48 s	26/79	9/48 pc
Miami	26/79	18/64 t	28/79	16/68 sh
Minneapolis	-9/15	-12/11 pc	-1/31	-4/25 pc
Montreal	-17/2	-24/-11 pc	-12/11	-19/-2 pc
Nassau	29/79	19/66 t	28/79	17/62 pc
New York	-1/31	-4/25 sn	-4/25	-7/20 pc
Orlando	21/70	12/53 sh	20/68	9/48 pc
Phoenix	22/71	9/48 s	23/73	12/53 s
San Fran.	19/66	9/48 s	18/64	9/48 pc
Seattle	12/53	6/43 r	13/55	6/41 r
Toronto	-11/13	-14/7 sn	-4/25	-12/11 pc
Vancouver	11/52	7/44 r	12/53	1/34 r
Washington	1/34	-3/27 sn	1/34	-4/25 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bali	33/91	24/75 t	33/91	24/75 pc
Bangkok	32/89	23/71 pc	33/91	23/71 pc
Beijing	7/44	-4/25 pc	6/43	-3/27 s
Bombay	30/86	18/61 s	29/84	18/61 s
Calcutta	26/79	13/53 s	27/80	15/59 s
Chiang Mai	33/91	20/68 pc	33/91	21/70 pc
Colombo	30/86	21/70 pc	29/84	21/70 c
Hanoi	23/73	17/62 pc	24/75	17/62 pc
Ho Chi Minh	34/93	23/71 s	33/91	23/73 pc
Hong Kong	21/70	16/61 pc	21/70	16/61 pc
Islamabad	19/66	8/43 sh	18/64	4/39 pc
Jakarta	31/88	25/77 c	29/84	24/75 c
Kanchi	28/79	9/48 s	28/79	12/53 s
K. Lumpur	32/89	23/73 pc	32/89	23/73 pc
K. Kinabalu	31/88	23/73 r	31/88	24/75 pc
Manila	30/86	23/73 t	29/84	23/73 t
New Delhi	25/77	9/48 s	28/79	7/44 s
Phnom Penh	33/99	21/70 s	33/91	23/73 s
Phuket	32/89	22/71 pc	33/91	23/71 pc
Rangoon	32/89	22/71 pc	33/91	23/71 pc
Seoul	3/37	-6/22 pc	3/37	-6/22 pc
Shanghai	12/53	2/35 r	12/53	2/35 pc
Singapore	31/88	26/79 pc	31/88	25/77 pc
Taipei	23/73	18/64 pc	23/73	15/59 c
Tokyo	9/48	2/35 s	10/50	1/34 pc
Vientiane	22/71	17/62 pc	22/71	17/62 pc

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	16/61	8/46 sh	18/61	8/43 pc
Cape Town	28/77	14/57 s	22/71	11/52 pc
Casablanca	21/70	11/52 pc	21/70	10/50 pc
Harare	31/88	9/48 s	30/86	9/48 s
Lagos	33/88	22/71 s	30/86	23/71 s
Nairobi	32/89	12/53 s	32/89	13/55 s
Tunis	14/57	4/39 pc	12/53	4/39 pc

Latin America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Buenos Aires	28/84	16/61 pc	28/84	16/68 pc
Caracas	29/84	22/71 pc	29/84	22/71 pc
Lima	27/80	21/70 pc	27/80	21/70 pc
Mexico City	18/64	2/35 pc	18/64	5/41 pc
Rio de Janeiro	29/84	23/73 sh	29/84	23/73 sh
Santiago	32/89	10/50 s	29/84	11/52 s

Oceania

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Auckland	21/70	13/55 s	21/70	13/55 s
Sydney	25/77	23/73 r	24/75	24/75 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Jurors Wend a Maze to a Simpson Verdict

By Stephanie Simon
Los Angeles Times

SANTA MONICA, California — Jurors in the O.J. Simpson civil trial have retired behind closed doors to begin deliberations, carrying stacks of notebooks and a fat packet of instructions warning them to base their verdict on the evidence — and not on the emotion that has long swirled around the case.

The five men and seven women are charged with sifting through months of clashing testimony and bitter argument to resolve the issue at the heart of the trial: Did O.J. Simpson murder Nicole Brown Simpson and Ronald Lyle Goldman on June 12, 1994?

But they will not find that question on their verdict form.

As Judge Hiroshi Fujisaki of the Superior Court explained to the jurors Tuesday, before sending them into the deliberation room, the civil trial involves three separate lawsuits. They all boil down to "did he or didn't he." But they are wrapped in the peculiar jargon of the legal world, in roundabout questions about battery, malice, oppression and wrongful death.

According to the verdict form, for example, jurors must ask themselves not whether Mr. Simpson killed his former wife, but whether he harmed her without her consent — and whether he did so in a "base, vile, contemptible, wretched, loathsome or miserable" manner that "ordinary, decent people" would recoil from.

The technical legal questions jurors must weigh in the deliberation room are so confusing that it took Judge Fujisaki 45 minutes to read aloud the jury instructions. But with all that, he did not even explain that if the jurors find for the plaintiffs, they will trigger a second phase of the trial and a new round of deliberations on the question of punitive damages.

The jurors must weigh these issues:

• Mr. Goldman's parents, Fred Goldman and Sharon Rufo, have each filed claims accusing Mr. Simpson of causing their son's death.

If they prevail, they are entitled to compensatory damages. The award would include $7,961 to cover the cost of Mr. Goldman's funeral and, more importantly, compensation for the loss of their son's love, companionship and moral support. If jurors find these claims valid, they must decide during the current round of deliberations how much money Mr. Simpson owes Mr. Goldman's parents. They are instructed to come up with a lump sum; the judge will divide it between Mrs. Rufo and Mr. Goldman.

• Mr. Goldman's estate has filed a survivorship claim accusing Mr. Simpson of battery.

If the estate wins, jurors can order Mr. Simpson to compensate Mr. Goldman's legal heirs — his parents — for property damage incurred during the assault. That amounts to just $100, for his bloodied jeans and shirt. But the estate also is asking for punitive damages, intended to punish Mr. Simpson for his conduct. Jurors would not decide the amount of punitive damages until a second round of deliberations, following testimony about Mr. Simpson's financial assets.

• Nicole Brown Simpson's estate has also filed a survivorship claim accusing Mr. Simpson of battery.

The estate is seeking $250 in property damages for the black dress she was wearing when she died — plus punitive damages. Again, jurors would set the size of punitive damages in a second phase of the trial if the plaintiffs won this round. Any money awarded to the estate would flow to the two young children of O.J. and Nicole Simpson.

To reach a verdict on any one of the claims now pending against Mr. Simpson, at least nine of the 12 jurors *must concur*. In civil trials, the decision need not be unanimous.

The first question jurors face on their verdict form relates to the wrongful-death claims filed by Mr. Goldman's parents: "Do you find by a preponderance of the evidence that defendant Simpson *willfully and wrongfully caused* the death of Ronald Goldman?"

The standard "preponderance of evidence" means, in layman's terms, "probably" or "more likely than not." So jurors can vote against Mr. Simpson even if they think there's just a 51 percent chance that he killed Mr. Goldman.

Only legal heirs can bring such a claim, so pursuing it would have put the Simpson children in the traumatic position of suing their father for killing their mother. Instead, the Browns brought a survivorship action on behalf of Nicole's estate, which could reap big money for the children without turning them into plaintiffs. (The children, Sydney and Justin, still have the right to file their own wrongful-death lawsuits in the future; the statute of limitations will not run out until they turn 19.)

Vince Bucci/Agence France-Presse
Fred Goldman, with, from left, his wife, Patti, and daughter Kimberly, following an unidentified woman from court.

A Sorry Day for Scientific Sleuthing

Report Finds Shoddy Procedures at the Vaunted FBI Lab

By David Johnston and Andrew C. Revkin
New York Times Service

WASHINGTON — For decades, the FBI's reputation as a crime-fighting agency has rested heavily on its high-tech forensic laboratory, which could solve baffling crimes from a speck of blood, a sliver of paint or a human hair.

But an investigation by the Justice Department's inspector general has put the FBI laboratory, and the way the agency has used it, under the glare of public scrutiny. The findings, which were turned over to FBI officials last week, are threatening to shatter the image of an agency on the cutting edge of scientific sleuthing.

On Monday, FBI officials announced a shake-up at the lab, transferring four senior employees, including the heads of the chemistry and explosives units, the first in disciplinary personnel actions in what officials say will be a thorough overhaul of the lab's operations.

The report has not yet been made public, but current and former FBI lab officials who have been interviewed by the inspector general's office have said that dozens of cases have been affected by problems associated with the lab's work.

Among the problems cited by the officials were sloppy handling of evidence and lax procedures within the lab. In addition, they complained of the work of agents who use the lab to make their cases, including unreliable processing of the material sent to the lab for analysis and misuse of the lab's findings by FBI agents and their supervisors.

This range of problems has been evident in several well-known cases:

• After federal agents searched the residence of Richard Jewell, a private security guard who was an early suspect in a bombing at the Atlanta Olympics last summer, FBI scientists and other specialists warned that "you've got the wrong guy," an FBI laboratory official said. But their cautionary remarks, based on the absence of even trace amounts of explosive materials, went unheeded for months.

• After a truck bombing in Oklahoma City in 1995, lab experts complained that field agents had haphazardly examined the crime scene, the clothing of Timothy McVeigh, one of two defendants later charged with the explosion, and the vehicle driven by him. The evidence was handled sloppily, with some of it mistagged or spilled from evidence bags, when it was sent to the lab for examination.

• During the investigation of the 1993 bombing of New York's World Trade Center, some investigators in the chemistry section of the FBI lab became concerned that tests being conducted for traces of an explosive blend of urea and nitrogen fertilizer were not precise enough.

The World Trade Center bomb was made of urea-nitrate, a compound that can be confused with nonexplosive mixtures of the same ingredients. In an informal internal check of lab procedures, some senior FBI lab workers mixed human urine with fertilizer and added samples of that nonexplosive mixture to the flow of material being tested by the chemistry unit. A manager in the chemistry lab identified the urine-fertilizer mixture as an explosive.

Errors at the lab are already providing defense lawyers with ammunition to use in some of these cases and appear to threaten the FBI with challenges to expert forensic testimony in cases based on the more than 600,000 evidence examinations conducted each year by the lab.

POLITICAL NOTES

Senate Backs Andrew Cuomo for Housing

WASHINGTON — The Senate on Wednesday confirmed Andrew Cuomo as the new secretary of the Department of Housing and Urban Development.

Mr. Cuomo, approved in a 99-0 vote, succeeds Henry Cisneros, who resigned earlier this month.

"I am privileged to support the confirmation of a native New Yorker, particularly one who has done so much in the area of housing in a relatively short period of time," said Senator Alfonse D'Amato, the New York Republican who chairs the Senate Banking Committee.

Mr. D'Amato and Mr. Cuomo's father, the former New York governor, Mario Cuomo, a liberal Democrat, are longtime political foes, but Mr. D'Amato enthusiastically endorsed the younger Cuomo for the job. *(AP)*

Shalikashvili to Leave Post at Joint Chiefs

WASHINGTON — General John Shalikashvili, chairman of the Joint Chiefs of Staff, has informed Secretary of Defense William Cohen that he intends to step down in September, the White House said Wednesday. The 60-year-old general, who was born in Warsaw, has served two two-year terms as the nation's top military officer under President Bill Clinton. *(Reuters)*

Clinton Stars at Democrat Donors' Dinner

WASHINGTON — By day, he's a champion of campaign finance reform. By night President Bill Clinton is still the Democrats' million-dollar man.

Hours after a White House news conference dominated by questions about Democratic Party fund-raising irregularities, Mr. Clinton was the star attraction at a $1 million donors' dinner Tuesday.

About 70 business leaders paid $10,000 per person or $15,000 per organization to attend the Democratic National Committee event. As the guests dined on salmon and asparagus, Mr. Clinton said that no donor had ever asked him to use the presidency on his or her behalf, and that he had never done so.

"There is no system which has been offered which is completely publicly funded from start to finish," he said. "So we have to depend upon people to help us." *(AP)*

Republican Medicare Offer Bites Back

WASHINGTON — When Haley Barbour was the Republican Party chief, he offered $1 million to the first person who could prove Republicans were cutting Medicare, 80 people accepted the challenge. They wound up not with money, but with legal notice that they will have to go to court if they want to collect.

Most of the people who took the challenge settled for a rejection letter. But one, Robert Shireman, filed a lawsuit. That prompted the Republican National Committee to file its own pre-emptive lawsuit in federal court in Jackson, Mississippi — just in case anyone else tried the same method. *(AP)*

Quote/Unquote

Representative Anne Northrup, Republican of Kentucky, at the annual dinner for congressional correspondents: "Teenagers and Democrats are always happy spending someone else's money. But teenagers grow up, and *when they have to spend their own money they become conservatives.*" *(AP)*

Away From Politics

• **Two toddlers were hurled** from a third-floor apartment window in Tacoma, Washington, the police said. The children landed on a car and were expected to survive. *(AP)*

• **An art auction in Miami** was canceled after experts said works supposedly by artists like Georgia O'Keeffe and Jasper Johns were fakes. The owner of the collection was not identified. *(AP)*

• **Marijuana was a secret menu item** at a McDonald's restaurant in Connecticut, where the police say a drive-through window worker, now under arrest, sold the drug in Happy Meals for children. *(AP)*

• **Eric Schneider, who murdered** two Missouri teachers during a 1985 robbery, was executed. *(AP)*

• **A thief who faced life** in prison *under California's "three strikes"* law for stealing a slice of pizza will be eligible for parole in little more than two years, a judge ruled. *(AP)*

• **A judge barred the news media** from joining relatives of Oklahoma City bombing victims when they watch the trial of the accused bombers on closed-circuit television. *(AP)*

AMERICAN TOPICS

Graphology Makes a Mark

Handwriting analysis, long used as a hiring tool in France and Israel, is catching on with a small but growing number of American companies, according to The Boston Globe.

Executives at Cognex Inc., a high-tech firm in Massachusetts, were persuaded by an employee who had worked in France to try handwriting analysis. The company now employs graphologists from a Louisville, Kentucky, firm to help screen applicants for managerial jobs.

Olsten Corp., a temporary-work agency based in Melville, New York, uses handwriting analysis to screen for traits like honesty and dependability. Last year, attorneys for Dr. Jack Kevorkian, who faced trial for assisting in a patient's suicide, used a graphologist to help select the jury. Dr. Kevorkian was later acquitted.

But many people remain highly skeptical about the idea of hiring on the basis of handwriting. It is "kind of mystical," said William Brown, a management professor at Babson College in Wellesley, Massachusetts, "a little like reading tea leaves or looking at the entrails of a chicken."

Short Takes

The oyster is Bob Seabrook's world. Mr. Seabrook, a technician in a New Jersey state laboratory that monitors ocean water quality, has mounted a museum exhibit to oystering, a dying industry in the mid-Atlantic. Mr. Seabrook's collection at an Oceanville museum, reports The Philadelphia Inquirer, preserves the ephemera of a booming era that began in the mid-1880s. At the heart of the collection are the colorful gallon-size metal cans that were used to transport oysters. By the early 1950s, the New Jersey industry boasted 1,400 boats employing 2,300 people. Then a mysterious parasite ravaged the oyster crop; another followed in 1990. Now New Jersey oystermen take a bare 75,000 bushels of oysters a year — down from the onetime peak of 3 million.

When Bettie Duerksen, 56, of Wichita, Kansas, wanted help in learning to use the Internet, she decided to attend a free class at L'Ouverture Magnet School. Her teachers? Schoolchildren, some as young as 8 or 9. On a recent evening, Anna, a third-grader, showed six adults how to browse the worldwide computer network. At L'Ouverture, students start learning how to use the Internet in kindergarten. By the end of third grade, they must have their own home page.

The town of Strong, Maine, calls itself the Toothpick Capital of the World. A series of machines in a factory building there allow a staff of only 10 to turn stacks of birch logs into 20 million toothpicks a day. The machinery, reports Smithsonian magazine, has changed little since a young man named Charles Forster developed it in 1869. While toothpicks then were popular among the European elite, they lacked a mass audience. So Mr. Forster enlisted the help of Harvard scholars. After dinner at a Boston eatery, each young man was to ask the waiter for a toothpick. If informed the restaurant had none, the student was to storm out, complaining he would never set foot in the place again. Thus a business was born.

International Herald Tribune

Most Segregated City? Gary, Indiana

The Associated Press

GARY, Indiana — This former capital of the U.S. steel industry is the most racially segregated city in America, according to a University of Michigan study.

The study, conducted by Professor Reynolds Farley, found that 10 of the 15 most segregated metropolitan areas were old Midwestern industrial cities. The least segregated tended to be in the South and West, led by Jacksonville, North Carolina.

Using Census Bureau housing reports from 1990, Mr. Farley calculated what he called "indexes of dissimilarity" for communities that had at least 3 percent black population, or at least 20,000 blacks.

Where whites lived only on all-white blocks and blacks only on all-black blocks, the index would be 100. Where there was no racial pattern, the index would be zero.

On that basis, Gary rated 91, compared with 90 a decade earlier, while Jacksonville rated 31, down from 36.

Others on the most-segregated list included Detroit, 89; Chicago, 87; Cleveland, 86, and Buffalo, New York, 84. The rest of the five least-segregated cities were Lawton, Oklahoma, 37; Anchorage, Alaska, 38; Fayetteville, North Carolina, 41, and Lawrence, Kansas, 41.

Of 232 communities in the study, segregation declined in 191 of them during the 1980s, Mr. Farley reported. The national index declined to 64, from 68.

The findings appear in the February issue of Population Today, a monthly magazine published by the private Population Reference Bureau, a research group in Washington.

"Most older central cities in the Northeast and Midwest had their boundaries established decades ago and are surrounded by independent suburbs, some of them known for their hostility to blacks," said Mr. Farley, a sociology professor.

"But in the South and West, central cities annexed outlying land after World War II."

An increase in new construction in the South is another reason its cities are less segregated, he continued.

Segregated cities in the Northeast and Midwest will probably stay that way without a revival in construction, he said.

Virginia Rejects 'Massa' and 'Darky'

State Senate Votes to Replace State Minstrel Song Glorifying Slavery

By Spencer S. Hsu
Washington Post Service

RICHMOND, Virginia — Virginia senators have voted to retire "Carry Me Back to Old Virginia" as the official state song, likely striking the death knell for a tune that has come to symbolize the legacy of the state's segregationist past.

There was no debate as senators voted, 24 to 15, to declare the Reconstruction-era black minstrel tune the state song "emeritus" and to order a committee to find a replacement song by July 1998.

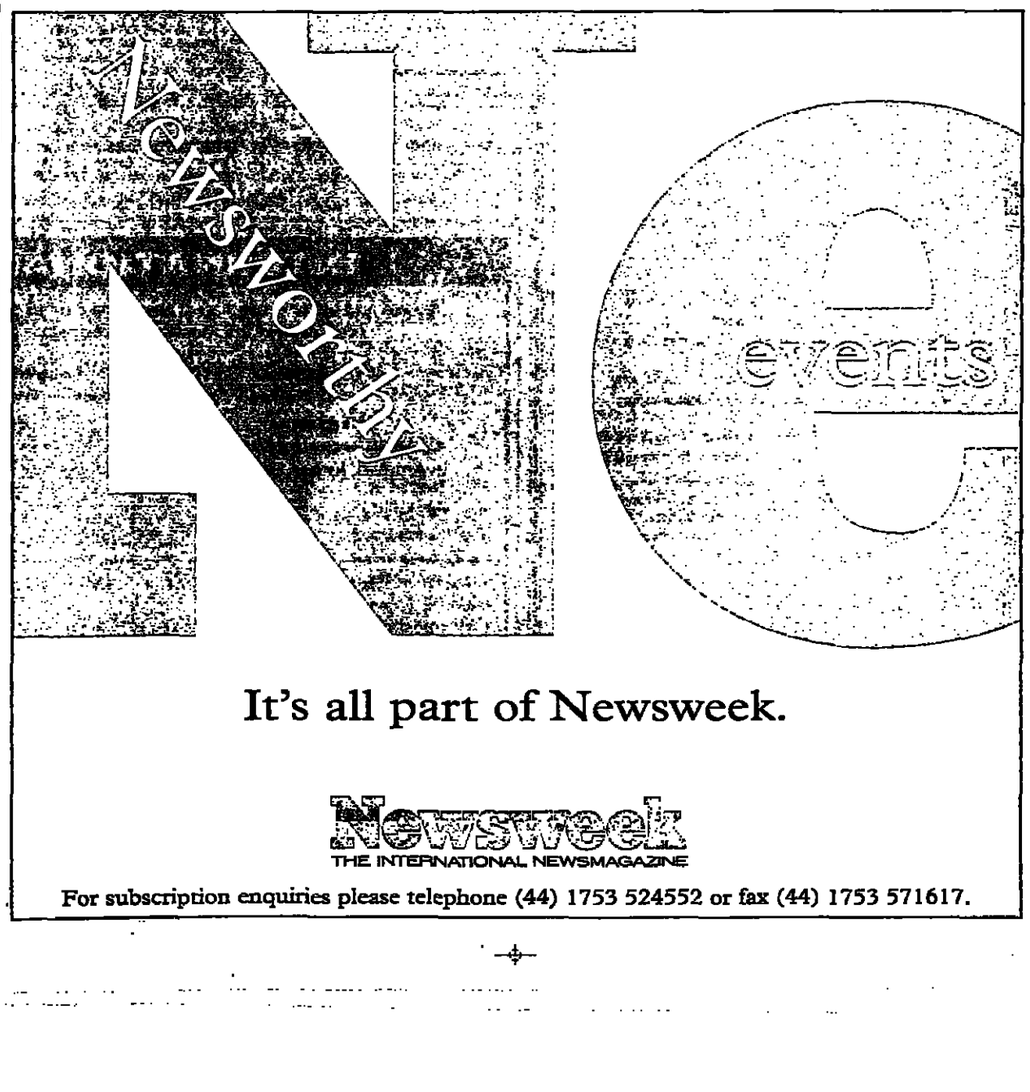
The measure now goes to the legislature's lower house, which voted to repeal the song in the past. Governor George Allen, a Republican, has said he will sign the bill if it is approved by the legislature.

The Senate's rapid approval was testimony to the changes that have swept Virginia in the quarter-century since Douglas Wilder, then a state senator who later became the nation's first elected black governor, denounced the song's lyrics as a racist reminder of the slave era.

The song, which recounts a freed slave's wish to return home to a Virginia plantation, includes the lines "There's where this old darky's heart am long'd to go. There's where I labored so hard for old massa."

For two decades after Mr. Wilder spoke out against the song, traditionalists who called the 120-year-old tune a part of Virginia's southern heritage found sympathy in the Senate, which routinely rejected complaints that the song was racially insensitive. But that front began to crack three years ago, when the 40-member body overwhelmingly voted to keep the song but excise its offensive words.

"Carry Me Back to Old Virginia," which was written in the 1870s by James A. Bland — a black New York minstrel who never set foot in Virginia — and adopted as the official tune in 1940, has not been played at schools or public events for 20 years.



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ASIA/PACIFIC

Jiang Urges The Koreas To Negotiate Reunification

Agence France-Presse

BEIJING — President Jiang Zemin of China called on the two Koreas on Wednesday to sit down to peace negotiations that might eventually lead to Korean reunification.

In a meeting with a South Korean parliamentary delegation led by Speaker Kim Soo Han, Mr. Jiang pledged that China would encourage the peace process on the Korean Peninsula.

"As a neighbor, China has always kept a close eye on the situation on the peninsula and has been involved in maintaining peace and stability in the region," Mr. Jiang was quoted as saying by the Xinhua press agency.

"China sincerely hopes the South and the North will settle their disputes through dialogue and consultation to realize the peninsula's peaceful and independent reunification," he added.

China, whose troops fought on the side of Communist North Korea in the 1950-53 Korean War, has developed into a major trading partner of the South since Seoul and Beijing established full diplomatic ties in 1992.

China and the United States are involved in proposed four-party talks with the two Koreas aimed at seeking a permanent peace treaty on the Korean Peninsula. Washington has repeatedly urged Beijing to use its influence with North Korea to work toward stability.

■ Prison Sought for Novelist

South Korean prosecutors have demanded a seven-year prison term for a novelist who illegally visited North Korea last summer, The Associated Press reported from Seoul.

Kim Yong, 38, better known by his pen name Kim Ha Ki, has maintained that he unknowingly entered North Korea while drunk. But the prosecutors said that Mr. Kim's visit was deliberate *and that he had divulged information* about the South's political situation and the condition of its prisons.

Government permission is necessary for South Koreans to visit the North.

Mr. Kim is best known for his award-winning novels about student activists and North Korean spies imprisoned in the South. He wrote them after serving a seven-year term for anti-government activities as a student.

Supreme Court Lets Bhutto's Dismissal Stand

By Kenneth J. Cooper
Washington Post Service

ISLAMABAD, Pakistan — Pakistan's Supreme Court on Wednesday upheld the dismissal in November of Benazir Bhutto's government, assuring that parliamentary elections will proceed on schedule Feb. 3.

The court's decision came a day after lawyers concluded two weeks of arguments on Miss Bhutto's challenge to her dismissal by President Farooq Leghari under a 1985 amendment to Pakistan's constitution.

The Nov. 5 order marked the second time that Miss Bhutto had been removed as prime minister since she led a movement to restore democracy to her country in 1988.

"There is enough material to establish corruption, nepotism and misrule," Chief Justice Sajjad Ali Shah said, referring to three of the reasons Mr. Leghari cited for dissolving the latest Bhutto government.

In Karachi, Miss Bhutto said she had expected the court to reject her petition, although earlier in the week some of her supporters had predicted that the court would reinstate her government.

"I knew they were going to give a decision against us," Miss Bhutto said, adding that the ruling was unfavorable "every time the Bhutto family goes to court."

In the past, the Supreme Court rejected her challenge to her 1990 dismissal *and an appeal to overturn a* death sentence imposed on her father, Zulfikar Ali Bhutto, the former prime minister who was executed in 1979 on a murder charge.

Several thousand people waited outside the court building Wednesday. When word of the decision spread, scores of chanting Bhutto supporters rushed the gate and hurled stones at riot-equipped police, who used clubs to disperse the crowd.

[Several people were injured in the clash, Agence France-Presse reported, including a police constable who had been hit by a stone and a municipal council member from Miss Bhutto's Pakistan People's Party.

[Several other people were taken to hospitals for treatment of head wounds, witnesses said.]

Japanese Politician Arrested in Scam

The Associated Press

TOKYO — Japanese police arrested Wednesday a member of Parliament who is accused of organizing a scam that defrauded investors of millions of dollars.

The police moved hours after lawmakers voted to lift his immunity from prosecution.

The accusations against Tatsuo Tomobe, 68, involve his small savings and loan company, which reportedly collected more than $57 million from more than 2,000 investors starting in 1992.

The investors were lured with interest rates of nearly 7 percent, far higher than banks offer, which is less than 1 percent.

Most of the money is now reportedly gone. Japanese media say that Mr. Tomobe used much of the money to win a place on the New Frontier Party's candidate list for the 1995 parliamentary election.

He was elected to Parliament's upper house for the New Frontier Party, Japan's largest opposition party.

A leading New Frontier legislator and former prime minister, Morihiro Hosokawa, denied reports that he was a chief recipient of the money, saying that was "absolutely impossible."

Mr. Tomobe resigned from the party last fall *when the scandal involving his financial group,* Orange Kyosai Kumiai, emerged. Five officials of the group, including Mr. Tomobe's wife and son, were arrested Monday.

Orange Kyosai Kumiai was set up in 1986 to provide insurance for retired people but branched out *later into the high interest rate accounts.*

Toshifumi Kitamura/Agence France-Presse

Mr. Tomobe, flanked by police officers, after his arrest.

Lawmaker Survives Censure Vote in Hong Kong

Compiled by Our Staff From Dispatches

HONG KONG — The speaker of Parliament, viewed as a traitor by Hong Kong democracy activists for defecting to the rival legislature appointed by China, survived a vote of no-confidence Wednesday, an official said.

Members of the 60-seat Legislative Council voted, 29 to 23, to strike down a *motion calling for Andrew Wong to be* replaced as president, the council's spokeswoman said.

Mr. Wong became an enemy to Hong Kong's pro-democracy camp by reneging on a vow not to join the Provisional Legislature, which China has set up to replace the Legislative Council when the territory is handed back to Chinese rule on July 1.

Britain has refused to recognize the interim body, saying it is not covered by the 1984 Chinese-British handover treaty or in Hong Kong's future constitution, the 1990 Basic Law, that was agreed to by London and Beijing.

Last week, Mr. Wong lost out to a prominent Beijing loyalist, Rita Fan, in the contest to become the Provisional Legislature's president.

Some political analysts speculated that a further humiliation for Mr. Wong lay in store for the vote Wednesday.

The motion, filed by the pro-democracy legislator Elizabeth Wong, who is no relation, called for a court to declare *that the speaker was faced with* "conflicts of interest" and should be removed from office.

Mr. Wong said in his own defense Wednesday: "I gave an assurance to members that I would continue to discharge the duties of the president of this council to the best of my abilities and in an impartial and fair manner."

China, meanwhile, defended a proposal to roll back civil liberties in Hong Kong after the handover, saying all rights and freedoms had limits.

Zhou Bingxin, an official with the Hong Kong and Macau Affairs Office under the State Council, said that the right to hold mass public gatherings and demonstrations would be guaranteed by law after the handover but that all countries had legal restrictions on such activities. "No rights or freedoms are absolute, all of them have limits," he said.

"Limiting some rights and freedoms of the minority is to guarantee more rights and freedoms for the majority," Mr. Zhou added.

■ China Reins In Publishers

China unveiled strict new regulations Wednesday aimed at exerting greater control over the varied output of its booming publishing industry, Agence France-Presse reported from Beijing.

The new rules, issued by the publication bureau under the central Propaganda Department, covered all publishing houses, their employees and such retail publishing outlets as book shops, state television said.

As well as banning the publication of any unauthorized works, the regulations called on publishers to join the fight against "pornographic and reactionary literature."

BRIEFLY

Chinese Hotel Fire Causes 30 Deaths

BEIJING — At least 30 people were killed and dozens more injured in a fire that destroyed a hotel in central China early Wednesday, officials said. Officials said that two people suspected of starting the deadly fire in a restaurant had been arrested and that the manager of the Yanshan Hotel in Changsha, capital of Hunan Province, was on the run. *(Reuters)*

Tamil Mines Kill 10

COLOMBO — Tamil rebels detonated two remote-controlled land mines in northern Sri Lanka on Wednesday, killing at least nine civilians and a soldier, a military spokesman said.

The mines exploded while soldiers searched for booby traps near the Punalai causeway, 320 kilometers (200 miles) north of Colombo, said the spokesman, Major D.A.R. Ranawaka. The civilians were waiting to cross the causeway, which links the Jaffna Peninsula with Kayts Island. *(AP)*

Karen Camps Burn

BANGKOK — At least two people were killed when members of a renegade ethnic Karen rebel group from Burma attacked refugee camps across the border in Thailand, border police said Wednesday.

The Democratic Karen Buddhist Army attacked at least two camps in Thailand's western Tak Province and set them on fire, border police said by telephone from Ban Mae Sot.

They also said that as many to 5,000 people in the two camps had been left homeless after the settlements were burned. *(AFP)*

Filipino Fighting

ZAMBOANGA, Philippines — Fighting among rival Muslim clans has left seven people dead on the southern Philippine island of Siasi this week, the military said Wednesday.

The dead included three police officers who were trying to negotiate a truce between the rival groups. *(AFP)*

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EUROPE

Bitter Debates Inflame the Mistrust in Ulster

By James F. Clarity
New York Times Service

BELFAST — While the peace effort in this British province is at a virtual standstill, and the Irish Republican Army continues its attacks on police and army troops, Northern Ireland has lapsed into bitter public debates that underscore and aggravate the historical mistrust between Ulster's Protestant majority and its Roman Catholic minority.

The debates involve Catholic demands for a formal British apology for the killing of Catholics by British troops on Bloody Sunday, 25 years ago Thursday; a government plan for spots on television that compare Ulster sectarianism with Nazism, and a proposed body to control the religious-patriotic parades that have led to widespread violence in recent years.

"People's attitudes have hardened, they have polarized," said Sir Patrick Mayhew, the Northern Ireland Secretary, in unusually frank remarks on BBC television. "I'm afraid that we are on a sharp downturn at the moment. Because a harder attitude of a sectarian kind is the material, the climate for the kind of violence that we saw last year."

Normally, Sir Patrick, who is not running for re-election in the approaching parliamentary elections in Britain and is in his last months as secretary, tries to put an optimistic twist on his views. But his remarks seemed a downbeat swan song, reflecting the dour state of affairs here.

Seven months ago, a new round of peace talks began in Belfast, involving all the political parties in the North except Sinn Fein, the IRA's political wing. There was widespread hope that the IRA would restore the 17-month cease-fire it broke Feb. 9 with a series of attacks in England and later in Northern Ireland. Such a truce would have opened the way for Sinn Fein to be included in the talks, which are unlikely to produce significant agreement without the IRA representatives at the table.

Now, the talks are stalled in anticipation of the British parliamentary elections to be held before the end of May, as Northern Ireland's 17 Protestant and Catholic members of the Westminster Parliament and potential challengers seek political advantage. This makes compromise at the talks risky.

The chairman of the talks, former Senator George Mitchell of Maine, presided over two days of talks Monday and Tuesday, then adjourned them for a week when it became clear that the parties were taking even harder lines on basic issues, such as how to deal with the issue of disarmament of the overwhelmingly Catholic IRA and the Protestant paramilitary groups, which have held to the cease-fire they announced in October 1994.

The IRA attacked a security patrol in West Belfast with rockets Tuesday night, without injuring anyone. They have been making such attacks since Christmas week, fulfilling their threat to continue their campaign of violence until Sinn Fein is included in the talks. There have also been three attacks on Catholic politicians attributed by the police to Protestant splinter groups.

'People's Attitudes Have Hardened'

The atmosphere has been further roiled in recent days by the province-wide debate on three volatile issues.

First, a new book, "Eyewitness: Bloody Sunday," by Don Mullan, has reopened the dispute over Jan. 30, 1972, when British troops killed 14 Catholic civil rights demonstrators in Londonderry.

Catholic politicians, and ordinary people, have long claimed that the troops fired at the backs of nonviolent demonstrators. The official British version is that the troops used force in responding to attacks by Catholic snipers.

Three years ago, Prime Minister John Major of Britain said that those killed in the shooting should be officially considered innocent victims. But the Catholics want an official British apology, saying that the evidence in the book, statements by 700 local people, reinforces their view that the official report was a whitewash and that a new inquiry should be held.

Second, the Northern Ireland Office, which administers the province, said Sunday that it was considering a series of television spots that compared the sectarianism of Ulster with the emergence of Nazism in Germany in the 1930s. The purpose, said Sir Patrick, would be to warn both Catholics and Protestants where Northern Ireland might be headed.

This caused instant protests from politicians and newspapers. People interviewed in central Belfast described the idea as ludicrous, outrageous and insulting. The reaction has weakened the prospects that the television spots will ever be screened, according to Northern Ireland Office officials. But, the officials said, the point has been made.

Finally, an official panel is expected to propose Thursday that a commission be formed to control the parades, most of them Protestant, that have led to violence in recent years. Last July, widespread rioting followed a decision by the police to permit an annual Orange Order parade by Protestants through a Catholic neighborhood at Drumcree, southwest of Belfast.

But both Catholics who want a commission and Protestants who suspect it will be hostile to them, doubt that it will be in effect before the marching season begins in July.

Paul McErlane/The Associated Press

A British soldier on Wednesday guarding the street in West Belfast where the IRA attacked an army patrol the previous night.

Bulgaria Warns West on Its Debt

Compiled by Our Staff From Dispatches

BRUSSELS — Bulgaria may have to default on its debt repayments later this year unless it receives help with its strapped economy, President Petar Stoyanov said Wednesday.

"Bulgaria is due to make payments on its external debt later this year which will face our financial system with a final collapse," Mr. Stoyanov told NATO ambassadors during a visit to Brussels.

"A default and a moratorium on our payments is not out of the question," he said.

Mr. Stoyanov, whose country has been shaken by 24 days of strikes and demonstrations, said "unpredictable social consequences" would follow if the economic crisis was aggravated by the requirements on Bulgaria to meet its international debt obligations. Mr. Stoyanov called on the European Union earlier Wednesday to help his country out of its economic problems.

Workers across Bulgaria carried out strikes Wednesday, heeding a call by labor unions to press demands for early elections and prevent the Socialists from forming a new government.

The KNSB union said hundreds of industrial companies had been hit by one-hour work stoppages or open-ended strikes.

Work stoppages also were reported in the transportation sector, postal services, schools and hospitals. The capital, Sofia, was not affected by the strikes.

A one-hour public transportation strike was planned for early Thursday in Sofia. *(Reuters, AFP)*

Berlusconi's Brother and Ex-Minister Are Cleared of Extortion

Compiled by Our Staff From Dispatches

BRESCIA, Italy — A court Wednesday acquitted former Defense Minister Cesare Previti and Paolo Berlusconi, the brother of former Prime Minister Silvio Berlusconi, of charges that they plotted to force a crusader against corruption to quit his prosecutor's post.

Judge Francesco Maddelo said the accusations of extortion against the defendants were "without substance."

The prosecutor, Antonio Di Pietro, had headed the "Clean Hands" campaign that exposed corruption among Italy's political and business elite, and led investigations into Silvio Berlusconi.

He quit two years ago amid what he described as a campaign to discredit him. He went on to become public works minister in Italy's new center-left government but resigned that post in November.

On Monday, the Brescia substitute prosecutor, Raimondo Giustozzi, called for the case to be dismissed, saying, "Di Pietro decided to leave the Clean Hands pool for reasons that had nothing to do with an alleged plot and which are not therefore the concern of this court."

During the course of the trial, witnesses testified about Mr. Di Pietro's political ambitions and gave these as the reason for his decision to quit his post.

Italian news reports said the court in the northern city of Brescia that conducted the four-month trial found there was no evidence of a plot to discredit Mr. Di Pietro.

The trial grew out of a question that remains unanswered: Why did Mr. Di Pietro — at the height of his fame as a national hero — abruptly quit as Milan prosecutor in December 1994?

Mr. Di Pietro, whose inquiries unveiled systematic kickbacks between politicians and businessmen and toppled an entire political class, has depicted himself as the victim of a plot. Among those he prosecuted for suspected corruption is Silvio Berlusconi, the media mogul who served as prime minister for eight months in 1994.

When they opened the case, prosecutors charged that Paolo Berlusconi and Mr. Previti, a conservative senator who had served as Silvio Berlusconi's defense minister, had organized a smear campaign with the aim of forcing Mr. Di Pietro from office.

Called to testify last month, Mr. Di Pietro invoked his right not to answer questions, saying papers that proved his accusations had been seized from his office by the police, and that he preferred to read the court a statement. The judge refused to let him read it.

Mr. Di Pietro's refusal to testify apparently was a blow to the prosecution, which then formally requested that all the defendants be acquitted for lack of evidence. Also acquitted Wednesday were Ugo Dinacci and Domenico De Biase, who had been Justice Ministry officials.

During the trial, Mr. Di Pietro's former boss and Milan's chief prosecutor, Francesco Saverio Borrelli, testified that Mr. Di Pietro threatened to "ruin" Silvio Berlusconi. Mr. Borrelli's office is still leading the Clean Hands investigations. *(AP, AFP)*

BRIEFLY

Bombing Suspect Is Sent to Berlin

SALONIKA, Greece — Greece extradited to Germany on Wednesday a suspect in the 1986 bombing of a Berlin discotheque that killed two U.S. soldiers and a Turkish woman, the police said.

Andrea Haeusler, 31, was placed on a plane in this northern port city for a flight to Berlin via Munich. She was turned over to German police officials at Salonika airport. *(AP)*

EU Agrees to Fine Germany and Italy

BRUSSELS — The European Commission adopted proposals Wednesday to fine Germany and Italy up to $500,000 a day in the first use of a tough new system designed to force EU states to comply with European legislation.

The fines relate to five environmental directives — three for Germany and two for Italy — that the two countries have failed to apply in defiance of rulings in the European Court of Justice.

The application of the fines depends on the court agreeing to the commission's request for a second ruling against the countries. *(AFP)*

Talks With Ciller

ROME — Foreign ministers from five EU countries held talks Wednesday with their Turkish counterpart, Tansu Ciller, to discuss Turkey's ties with the European Union and its feud with Greece.

Speaking at the close of the meeting with the ministers — from Britain, France, Germany, Italy and Spain — Mrs. Ciller said the talks were "concrete and beneficial" for everyone. *(AFP)*

Ex-Envoy to Court

NICE — Zaire's former ambassador to France has been summoned to appear in court in March over a car crash in which two French teenagers died, judicial sources said Wednesday.

Ramazani Baya returned to France last week after President Mobutu Sese Seko announced his resignation so he could face charges over the accident in November. He will appear in court in Nice on March 25, officials said. *(AFP)*

MINISTERIO DE ENERGIA Y MINAS

REPUBLIC OF ECUADOR

CONSTITUTIONAL GOVERNMENT OF ATTORNEY ABDALA BUCARAM ORTIZ

MINISTRY OF ENERGY AND MINES

EMPRESA ESTATAL PETROLEOS DEL ECUADOR PETROECUADOR

PETROECUADOR
EMPRESA ESTATAL
PETROLEOS DEL ECUADOR

INTERNATIONAL INVITATION

TO THE SPECIAL TENDER FOR THE CONTRACTING OF TRANSPORTATION SERVICE FOR CRUDE OIL, USING THE PRIVATELY OWNED CENTRO - ORIENTE PIPELINE SYSTEM (SOCO) PROJECT, A SEPARATE PIPELINE FROM THE SOTE

The Special Bidding Committee, CEL, invites all national and foreign companies, in good standing under the laws of the countries in which they were formed, with recognized ability in the activity which is the subject of this Tender, which may form joint ventures among themselves, such as consortia or associations, even if such ventures are not yet legally registered in Ecuador, subjet to proper approval by the Ministry of Energy and Mines, to participate in the "Special Tender 01-SOCO-CEL-97 for the Contracting of Transportation Service for Crude Oil".

In order to provide the crude oil transportation service, the contractor shall build and operate at its own account and risk, in accordance with the legal provisions and regulations in force, a main pipeline system independent of SOTE, called the Centro Oriente Pipeline System, SOCO.

The investment, construction, operation, maintenance, administration, financing, as well as taxes and any other costs and expenses necessary for the timely and efficient transportation service, shall be borne by the contractor.

The SOCO shall have a transportation capacity, authorized by the Ministry of Energy and Mines, of 216,000 barrels of oil per day from the Sacha Station up to the Sarayacu Station, and 246,000 barrels of oil per day from the Sarayacu Station up the Balao Terminal, for crude oil of a gravity of 18 degrees API, 1,000 SSU, at 125 degrees Farenheit, through a API-5L-X65 steel pipeline. Additionally, the SOCO shall have the capacity to transport crude oil equal to or above 16 degrees API gravity. The project includes the construction of approximately 514 km of pipeline, made up of 280 km of a 24" pipeline, 65 km of a 18" pipeline and 169 km of a 28" pipeline.

The route this oil pipeline must follow, taking into account the instructions provided in Article 81 of the Hydrocarbon Law, shall commence at Sacha and connect with Huaticocha, Sarayacu, Baeza and then shall follow in parallel to the Transecuadorian Oil Pipeline (SOTE), using the SOTE right of way, up to the Balao Terminal.

The contractor shall install a secondary line of approximately 50 km of API-5L-X60, 12" pipeline that will connect Auca Sur with the Sacha (SOCO) Station.

A secondary system of 30 km of API-5L-X65, 24" pipeline shall be installed connecting the Limoncocha Station to the Sacha (SOCO) Pumping Station.

The contractor shall build storage facilities for 750,000 barrels of crude oil at the Sacha (SOCO) Station and for 2,000,000 barrels of crude oil at the Balao Terminal.

The contractor shall also construct interconnections to the inlet manifold of the Balao Terminal (SOTE) tanks; to the tankers' loading lines at the Balao Terminal (SOTE); and to the crude oil line connected to the SOTE, supplying the Esmeraldas State owned Refinery.

The SOCO shall include all necessary provisions in each section of the system, or areas, for their correct and safe operations, it will have facilities as well as communication and SCADA systems.

The Contracting Bases, approved by Executive Decree No. 423 of December 30, 1996 and published in Official Register No. 101 of January 3, 1997 and further bidding documents, shall be made available as of 09:00 hs. of February 3, 1997 by the PETROECUADOR's Oil Pipeline Department located at 230 Japón Street and Río Amazonas Ave., Carolina Park Building, fifth floor, in the city of Quito, Ecuador, Fax (593-2) 441-090, Telephone (593-2) 440-371, upon registration and payment of a non-reimbursable fee of US$ 150,000.00 (One Hundred and Fifty Thousand Dollars of the United States of America) by certified check drawn on a bank established in Ecuador to the order of PETROECUADOR, delivered to its Treasurer, first floor of the Alpallana Building, located at Alpallana Street and 6th of December Avenue in the city of Quito, Ecuador.

In accordance with Art. 49 of the Regulation for the Application of the Amendment Law to the Hydrocarbons Law No. 44 and Executive Decree 3730, published in the Official Register No. 931 of April 23, 1996, interested companies must, prior to the submittal of bids, be qualified by the Ministry of Energy and Mines. For the qualification by the Ministry of Energy and Mines, the Ministry must receive the legal, financial and technical documentation listed in detail in the Instructions for Qualification, issued through Ministerial Agreement No. 025 of October 24, 1996 published in the Official Register No.63 of November 7, 1996 and its list of errata published in the Official Register No. 75 of November 25, 1996.

The bids shall be submitted in the Spanish language, in one original and one copy, in a single package containig sealed envelopes numbered 1 and 2, duly paginated in consecutive pages and initialed on each page by the Legal Representative of the Bidder, and shall be received in the office of the Secretary of the Special Bidding Committee, (CEL), ninth floor of the Alpallana Building, Alpallana Street and 6th of December Ave., in the city of Quito, Ecuador, until 16:00 hs. of Monday, April 7, 1997.

Quito, January 23, 1997

Lcdo. Alfredo Adum Z.
Minister of Energy and Mines
Chairman of the Special Bidding Committee

Gen. Patricio López M.
Executive President of Petroecuador
Secretary of the CEL

INTERNATIONAL

Paris's Defense Accord With Bonn Riles French Parliament

By Joseph Fitchett
International Herald Tribune

PARIS — A French-German declaration designed to improve military cooperation has backfired, forcing an emergency parliamentary debate Wednesday here about security policy and increasing tension about France's role in NATO.

The dispute, German and French officials said, seemed to spring mainly from clumsy political management in Paris rather than from the substance of the document, which outlined French-German thinking about nuclear deterrence, military operations and defense industrial teamwork.

Opponents of President Jacques Chirac of France, angered at not being told sooner about the accord, have seized on a phrase in the declaration that commits both countries to pursue their defense cooperation "within a European and trans-Atlantic framework."

The Socialist leader, Lionel Jospin, accused Mr. Chirac on Wednesday of abandoning French ambitions for European defense and following Germany's lead back into NATO.

But, denying that the accord breaks new ground on NATO or any other aspect of defense, officials in Bonn and Paris characterized it as a codification of existing military cooperation whose main aim was to suggest progress on political integration as the European Union moves toward a single currency.

[The German defense minister, Volker Ruehe, said Wednesday that the plan would help Europe's efforts to find its own identity within NATO, Reuters reported from Bonn.

["We are now building up with France a European identity within NATO," he said in a television interview.]

The accord's main assertion — that France and Germany have the same security interests — is a familiar slogan in both countries. In fact, however, the relationship between Bonn and Paris was already under pressure, a situation that started last year when Mr. Chirac significantly revised France's military posture without informing Bonn.

French and German officials acknowledged that the document was designed in part to avoid a repetition of that misunderstanding, but wound up emphasizing the gap between the accord's ambitious goals and its lack of substance.

On nuclear deterrence, the document calls for consultations between Bonn and Paris — a formula that falls short of the goal of "concerted deterrence" that has been voiced in the recent past. Instead, the actual words are a formulation adopted at a NATO summit meeting in Ottawa in 1984. Even the anti-nuclear political factions in Bonn hardly murmured at that this week.

On combat cooperation, there is no significant change, while on defense industries, hopes for cooperation are loftily phrased, ignoring the problems that have dogged most French-German projects during the budgetary squeezes in both countries.

In Parliament, Mr. Jospin and other Socialists spent little time discussing French-German cooperation, concentrating instead on NATO in an effort to appeal to a minority among the Gaullists who object to Mr. Chirac's decision to rejoin the NATO military command.

In effect, politicians said Wednesday, Mr. Jospin has seized an opportunity to attack Mr. Chirac's handling of security issues — a policy area that French presidents normally manage to keep away from parliamentary challenge.

Although the Gaullists enjoy a huge parliamentary majority, Mr. Chirac has not established a strong international record during his 18 months in office and may now have become somewhat vulnerable over his NATO policy.

After announcing in 1995 that France would rejoin NATO as part of a new French approach toward European military integration, Mr. Chirac has demanded control of NATO's southern headquarters in Naples as the reward for France's return — something Washington opposes. But Mr. Chirac's position may become harder now that a domestic dispute has been ignited about NATO.

The spark was the publication by the newspaper Le Monde last weekend of excepts from the accord, reached by Mr. Chirac and Chancellor Helmut Kohl in December in Nuremburg. The text was due for publication this week.

The German government responded to the disclosure in Le Monde by rushing the full text to Parliament in Bonn in time for a relatively smooth reception on Tuesday. But the French government did nothing, infuriating its Parliament.

The mood of indignation engulfed segments of the conservative majority, so the government apparently felt isolated enough to accept an embarrassing debate.

BRIEFLY

Army Said to Kill 1,000 in Burundi

GENEVA — Burundi's mainly Tutsi army, which took power in a coup last year, has killed at least 1,000 people since the start of December, the United Nations said Wednesday.

The UN human rights office, issuing evidence of the killings in the seven weeks to Jan. 21, said they marked a new escalation in violence in a three-year war between the Burundian Army and rebels from the Hutu majority.

The UN body said Hutu rebels were responsible for the killing of 58 people in the same period.

Worsening violence was accompanied by an army policy of forceful relocation of Hutu peasants and the increasing use of land mines by the warring sides, the Geneva-based UN body said. *(Reuters)*

Pretoria Reassures The U.S. on Arms

JOHANNESBURG — The U.S. ambassador to South Africa said Wednesday that a proposed South African arms deal with Syria was a "nonissue" for now.

The ambassador, James Joseph, said a decision on the sale of tank-firing systems was at least two years away, and that he had received assurances from Deputy President Thabo Mbeki that South Africa would consult extensively with the United States before making the decision.

"I am reassured," Mr. Joseph said at a briefing for reporters on a coming visit by Vice President Al Gore. "I feel at the moment this is really a nonissue."

The United States opposes a sale — worth $650 million to South Africa — because Syria is on the State Department list of countries that sponsor terrorism. It also fears that strengthening Syria's military capability could make Middle East peace talks more difficult for Israel.

Mr. Joseph sought to soothe anger in South Africa over what was regarded as a U.S. threat to cut aid if the deal went through. He said government spokesmen were merely pointing out that U.S. law prohibits some forms of aid to countries that sell arms to countries on the list of terrorism sponsors.

"We greatly respect and strongly support South African sovereignty," he said. *(AP)*

Singapore Moves to Curb Defendant in Libel Suits

Agence France-Presse

SINGAPORE — Singaporean authorities turned up the pressure Wednesday on an opposition figure who is facing libel suits, saying they had canceled his wife's travel documents following a tax inquiry.

The Ministry of Home Affairs said tax officials concluded that Teo Siew Har, the wife of Tang Liang Hong, should not be allowed to leave Singapore until the Inland Revenue Authority completed the investigation.

Mr. Tang, a prominent ethnic Chinese community leader and member of the opposition Workers' Party, has been served with an injunction to set aside 11.2 million Singapore dollars ($7.9 million) to meet liabilities that could arise from the defamation lawsuits he is facing.

Those who took out the injunction include Prime Minister Goh Chok Tong, Senior Minister Lee Kuan Yew and nine members of Parliament.

Mr. Tang was sued for remarks he made about the top officials of the governing People's Action Party critical of their behavior toward him during the last election campaign.

Mr. Tang is reported to be in London consulting legal experts after leaving Singapore following general elections Jan. 2 that brought him to the political limelight.

The People's Action Party swept 81 of the 83 parliamentary seats in the elections, but in a five-seat constituency, Mr. Tang's ticket grabbed 45 percent of the vote.

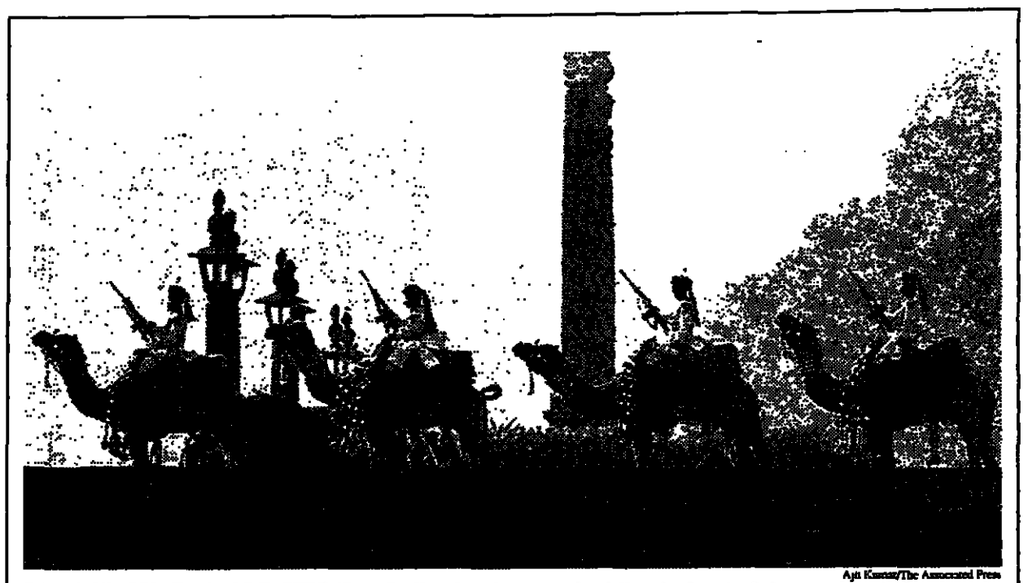
Tax officials said Miss Teo had been involved in moving some of Mr. Tang's files from his office to their home and "may also be involved in the administration of Mr. Tang's tax matters," the Home Ministry said.

The ministry said it had told immigration authorities to cancel "all the passports" issued to Miss Teo. She was prevented by immigration officials from leaving Singapore for Malaysia on Monday.

In addition, the Inland Revenue Authority seized tax documents from Mr. Tang's home and office Monday following reports that he had properties here and in Malaysia that he planned to sell.

The New Paper quoted the 61-year-old lawyer as saying: "What do the ministers want: A chance to clear their name, or my property and money? This is a huge legal battle, and I need to raise the money to fight it out. I am not running away."

A lawyer for Mr. Goh said the legal injunction was necessary because it appeared that Mr. Tang "intends to stay out of Singapore" and had "also taken steps to remove his assets" from here.



Ajit Kumar/The Associated Press

BORDER GUARDS, OLD STYLE — Indian border guards riding in front of the presidential palace in New Delhi on Wednesday during a ceremony marking the end of Republic Day celebrations.

Helicopters Help Rescue in Bombay Fire That Kills 3

Compiled by Our Staff From Dispatches

BOMBAY — A fire spread through the top stories of a 25-story office building Wednesday, killing three persons and trapping others for about an hour high above the beaches of the Arabian Sea.

Fire fighters' ladders reached to only the 14th floor, so rescuers had to bring people down the stairs to that level. About 21 people were evacuated through 14th-floor windows to safety.

Two naval helicopters rescued some people from the top of the building, witnesses said. Three bodies were found on the 21st floor, where the fire was believed to have started, said a deputy fire chief, M. G. Sarkod. The fire was put out in an hour, and Mr. Sarkod said all people in the building appeared to have been accounted for. The cause of the blaze was not known.

Officials said the fire had taken hold just before 10,000 people were to report to the building for work. *(AP, AFP)*

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NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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YEN: *For Japanese Business, the Currency Pendulum Has Swung Too Far*

Continued from Page 1

are reaching the point where negatives begin to outweigh the positives."

One of the big negatives right now is that a weakening yen has contributed to a big fall in the stock market since the beginning of the year. Declining stock prices could undermine consumer confidence and weaken Japan's already wobbly banks, which count unrealized profits from their stock holdings as capital.

Usually, a weaker yen bolsters the stock market because it is considered good for Japan's export-oriented industries. But this time, the yen and the Nikkei index are falling together. One reason is that both declines have a common cause — loss of confidence in Japan's economy as another slowdown looms. Another is that the falling yen makes investment in Japanese stocks less attractive for foreign investors.

The weakening yen also hurts the segments of the economy that depend on imports, such as chemical companies, electric utilities and food processors. This could lead to inflation as the prices of imports climb, though this has not happened yet to a noticeable degree.

Japan is still a big net exporter. Its merchandise trade surplus dropped 32 percent in 1996 but was still 6.74 trillion yen ($55.6 billion). On the whole, therefore, Japan probably benefits from a weaker yen, which makes its exports more competitive.

That might explain conflicting signals from Tokyo about the currency moves. On Friday, when the dollar rose above 120 yen for the first time since February 1993, a Bank of Japan official said the yen's fall had helped the economy.

But news reports that same day said the central bank had intervened in the currency markets to prop up the yen.

The exchange rate was about 125 yen to the dollar at the beginning of 1993 when the dollar began a fall that took it to 80 yen to the dollar in April 1995. Since then, due partly to market intervention by Washington and Tokyo, the dollar has risen almost 50 percent.

For companies that reacted to the yen's rise by moving manufacturing offshore, the recent fall of the yen is a mixed blessing.

"All of a sudden you're looking at the cost advantage they thought they had evaporating," said Chuck Goto, director of research at Smith Barney International in Tokyo.

Tamotsu Iba, the chief financial officer of Sony Corporation, said he had "mixed feelings" about the recent currency moves. Each one yen rise in the dollar adds 5 billion yen to the company's profits. But Sony has been moving manufacturing offshore to create a structure in which its earnings would be immune to exchange-rate changes.

Fujitsu Ltd., Japan's largest computer maker, says it has already achieved such a structure. That is in sharp contrast to 1993, when each one yen fall of the dollar cost the company 1.6 billion yen in profits.

Takashi Moriya, director of corporate marketing and strategy for Fujitsu, said that the company began a big expansion of its personal computer business about three years ago. With the yen strong, it began procuring most of its components from Taiwan and other foreign countries. The result is that its dollar-denominated purchases of parts balance its dollar-based exports, so that currency changes have no effect on its earnings.

But Fujitsu is an extreme case. Most executives in the automobile and electronics industry admit that the weaker the yen, the stronger their profits.

"I don't think it could ever be too weak," said Gary Hexter, a senior managing director of Mazda Motor Corp. Honda Motor Co. says it gains 6 billion yen for each one yen rise of the dollar. Hitachi Ltd. gains nearly as much.

American auto executives have been complaining about the stronger dollar, which is allowing Japanese manufacturers to gain share in the American market and hurting the ability of Detroit's Big Three to sell cars in Japan.

"For both countries, 110 is a comfortable rate," Koichi Takagi, a managing director of Nissan, said in November, when the rate was around that level. "We are afraid of friction between the U.S. and Japan if it depreciates much further."

Others say that the strong yen, by squeezing the economy, put pressure on Japan to reform and deregulate its economy. With the vise loosened, there is a risk of complacency.

"Maybe it was better if the high yen continued for the sake of Japan, for Japan to be a truly better country," said Nobuhiko Kawamoto, the president of Honda.

With the yen so weak, some companies are bringing some manufacturing back to Japan. Fujitsu, for instance, which now procures virtually all of its personal computer motherboards, the main circuit board, from Taiwan, will try to make 30 percent of them in Japan next year. It plans to bolster its production of cathode ray tubes in Japan from under 30 percent to 50 percent.

Still, companies are not rushing en masse back to Japan. Part of the reason is that some factories abroad are aimed more at penetrating local markets than at reducing costs. Also, there is a belief the yen might strengthen again.

CHINA: *Clinton's Prediction*

Continued from Page 1

being "honest and forthright where we disagree" had "the greatest likelihood of having a positive impact on China."

Mr. Clinton said, however, that he was "concerned" about indications China might restrict civil liberties when it takes over Hong Kong from Britain this summer. Noting that Beijing had promised to leave the system of government in Hong Kong intact, he said "there may be some ambivalence" as to exactly what the Chinese leadership has in mind.

"I'm not so sure that it can exist," the president added, referring to the Chinese leadership, "with all of its potential to help China modernize its own economy and open opportunities for its own people if the civil liberties of the people are crushed.

■ Panel Tells China to Make Progress

A U.S. delegation visiting Beijing urged China on Wednesday to make improvements in human rights before the United States must decide whether to sponsor a UN motion condemning Beijing's record, The Associated Press reported.

The United Nations Commission on Human Rights may consider such a motion when it meets in Geneva in March. U.S. officials have said they would examine China's human rights record before deciding whether to sponsor the motion, but have said they wanted to see progress.

China is lobbying against any UN resolution critical of its human rights record. It successfully blocked a resolution at the UN commission last year for the sixth year in a row.

MINISTRY OF JUSTICE

Secretariat of Penitentiary Policy and Social Rehabilitation

NATIONAL AND INTERNATIONAL PUBLIC BIDS
N° 01/97 and 02/97

PURPOSE: "To draft plans and build two prison complexes, using the "turnkey" system. The construction shall be fully financed by the contractor and at his sole risk. The complexes will be built on property located in Ezelza and Marcos Paz in the Province of Buenos Aires, Argentina and leased to the Federal Government for use by the Federal Penitentiary Service."

Interested parties may obtain the relevant documentation from the Diraccion General de Mantenimiento y Obras Penitenciarias (general Office of Prison Construction and Maintenance) after depositing the sum of US$15.000.- (fifteen thousand U.S. dollars/pesos) for each tender specification at the Departemento de Tesoreria (Treasury) located at Sarmiento 327/329, 4th floor, Buenos Aires, Argentina. This office is open to the public from 10:00 a.m. to 04:00 p.m. The deadline for payment is February 10, 1997.

Bids shall be received at the headquarters of the Ministry of Justice, located at Sarmiento 327/329, 11th floor, Buenos Aires, Argentina, from 10:00 a.m. to 04:00 p.m. until April 14, 1997 and will be opened at 05:00 p.m. on that date.

TOYOTA: *Euro Debate Comes Home to Britain*

Continued from Page 1

If Mr. Okuda's comments are confirmed, they could turn the already intense political debate in Britain up a notch in the weeks leading up to the general election, which must come no later than May.

With a commanding lead of 20 percentage points in most polls, the opposition Labour Party was quick to capitalize last week on the initial reports of Toyota's concerns.

The Labour leader, Tony Blair, took the occasion to remind party stalwarts that "being a key leading player in Europe is in Britain's interests for jobs, for investment and for our influence and standing in the world."

Toyota's Derbyshire plant turned out 117,000 cars last year — most of them destined for showrooms in Europe. Nissan produced 231,000 cars at its plant in Sunderland in northeast England.

In addition, Toyota executives in Europe said the company aimed to speed the pace of sales growth in Europe to 8.4 percent this year, Bloomberg News reported last week.

The British trade and industry secretary, Ian Lang, meanwhile, said the concerns expressed by Mr. Okuda were not representative of the views of other big Japanese companies.

"There are lots of views on these matters," he said. "Japanese investment comes to Britain because protectionist Europe offers no welcome, but Britain opened its doors to it, welcomed it and helped it to prosper here.

Corsicans Claim Bombing at Air France in Nice

Agence France-Presse

BASTIA, Corsica — Corsican nationalists took responsibility Wednesday for having planted a bomb that seriously damaged an Air France office in Nice.

The explosion, which went off late Tuesday in the city center, causing no casualties, was the ninth attack on the French mainland by Corsican nationalists since September.

In a statement, the Corsican National Liberation Front said it had carried out the bombing, as well as 10 attacks on Corsica itself.

"Corsica can no longer watch while its economic fabric disappears due to the high price of travel, while companies continue to get rich," the statement said.

The bomb was placed outside the closed airline office. It shattered nearby windows and car windshields.

The group has taken responsibility for eight blasts on the French mainland since the end of September. Violent attacks, often the result of feuding between rival nationalist factions, occur regularly on the island itself, but before September there had been no attacks on the French mainland for several years.

INTERNATIONAL

No Cash at Mass? We Take Visa, Says a Church in Spain

By Al Goodman
New York Times Service

MADRID — Priests in the northern city of Leon have been assuring the faithful that everyone is welcome at church, even people who do not carry a Visa card.

The explanations quickly followed the installation of a bank machine in the entrance of San Claudio's Church, and it has been dubbed the electronic alms box. Parishioners can insert a bank or credit card, punch in the amount they want to donate and walk away with a receipt they can use to claim a tax deduction.

A local newspaper quipped in a headline, "Through Visa Toward God." But the Reverend Roberto Asenjo, one of the priests at the Roman Catholic church, said there was no added pressure to contribute.

"You can make a donation to the church whenever you want to," he said. "The electronic alms box is one more way, an up-to-date method, in keeping with the times. We see there are many people who don't carry cash to Mass."

In the first 10 days after the little white machine was plugged in just before Christmas, San Claudio's took in $345 from 31 donors. The money was automatically deposited in a church account at a local savings association, which installed the machine.

In a note to the 9,000 parishioners in the middle-class neighborhood, the priests said the new method would permit privacy and reduce theft from the cash alms box, which suffered repeated burglaries.

The Spanish Episcopal Conference in Madrid said the electronic alms box was believed to be the first of its kind in Spain. "It's a bit odd, but it isn't seen here as bad," a spokesman said.

San Claudio's has attracted notice among the 160,000 inhabitants of Leon, 320 kilometers (200 miles) northwest of Madrid. A local journalist reported that residents from other parts of town had dropped by just to see the alms box in action. The regional archbishop has indicated that he will send a representative to examine it.

"Some people have accepted it," Father Asenjo said of the new alms box.

"Others think it is strange to see this machine at the church door."

Plans are already under way to install the next one at the cathedral in Leon, which is raising money to renovate the 13th-century Gothic building.

"We're going to the age of plastic money," said the Reverend Mario Gonzalez, secretary-general of the Leon diocese. "It's not that people weren't helping the church. But they need to help more."

The electronic alms box is the brainchild of Father Gonzalez, who once saw a similar machine at a charitable society in London.

It will not supplant the traditional collection methods at Sunday Mass of passing a velvet sack or handing donations directly to the priest. But these contributions lack receipts and are hard to verify for tax purposes, Father Asenjo said, besides requiring the donors to have cash or checks on hand.

Tirana Arrests 'Considerable Number' for Riots

Reuters

TIRANA, Albania — The government said Wednesday that it had arrested a "considerable number" of people across Albania following violent demonstrations that were set off by the collapse of get-rich-quick investment schemes.

"In the districts where destruction and burning down of state institutions have taken place, the police have stopped and accompanied to the police stations a considerable number of citizens," the Interior Ministry said in a statement. It did not say precisely how many people had been detained.

Rioting erupted across the nation last weekend as many investors who had gambled their life savings blamed the government for the collapse of several pyramid schemes.

President Sali Berisha said earlier Wednesday that most investors who lost money in the investment scams might not be fully compensated.

Hours later, the police in Tirana broke up an anti-government rally organized by Hazem Hajdari, one of the leaders of a 1990 revolt that toppled the former Communist regime.

■ Government Blames Socialists

Celestine Bohlen of The New York Times reported earlier:

After a week of often violent demonstrations sparked by the collapse of several pyramid schemes, the governing Democratic Party of President Berisha is trying to shift the blame for the crisis onto its leftist opposition, accusing the Socialist Party of supporting the schemes and fomenting the protests.

"These were terrorist acts that tried to distort the image of Albania, to block support from Europe and the world," said Tritan Shehu, foreign minister and chairman of the Democratic Party, who was roughed up by anti-government protesters over the weekend. "But those who try to set fires in Albania will themselves be consumed by fire."

But to many Albanians who have lost their life savings in the crash, the government is to blame for never having warned against the risks of the high-flying investment schemes and for not moving to regulate them.

Opposition parties have accused the Democrats of using the pyramid schemes to help finance their election campaign, and they have noted that some leaders of the biggest investment schemes have close ties to the government.

Two months after the first pyramid scheme scandal and two weeks after the first officially declared bankruptcy, the government froze the bank accounts of two other investment operations, seizing $255 million in assets.

According to some estimates, Albanians had invested close to $1 billion in the schemes.

As the poorest country in Europe, with an average monthly income of $73, and one of its smallest, with a population of 3.5 million, Albania can ill afford any large bailout.

Michel Euler/The Associated Press

The Albanian government has closed this "foundation," accusing it of running one of the pyramid schemes.

ALBANIA: *Duping the Desperate*

Continued from Page 1

lyst, the wave of huge losses may be subsiding because the former Communist nations have learned how damaging the collapses can be.

Three years ago, a huge Russian investment scheme called MMM collapsed after attracting about $1 billion with glitzy television ads promising certain profits.

In Serbia, millions were lost in Belgrade by people who believed in huge monthly interest rates offered by the Dafina Bank in a type of pyramid scheme. In Romania, thousands of customers in the city of Kluj went to the local soccer stadium to hand over fistfuls of cash to promoters of a pyramid scheme called Caritas, or Charity.

And now, in Albania, people have been entrusting their money to at least 10 major pyramid operators, one of whom is a Gypsy fortune-teller, complete with a crystal ball, who claimed to know the future — at least until she declared bankruptcy two weeks ago and was jailed.

Most of the schemes also appear to have been aided by government officials and prominent executives.

Experts who watch Central and East European economies say the wave of swindles in these countries is symptomatic of their lack of experience in Western-style investment. Popular understanding is limited, regulatory protections are almost nonexistent, and many people are willing to grasp at straws because they are in dire economic straits.

"It is a very common phenomenon in post-Socialist countries," said Jens Reuter, an analyst at the Sudost Institut, a research organization in Munich that specializes in Central European economics. "People have very little experience, so when they hear promises that are impossible, inconceivable, they tend to believe them."

But, Mr. Reuter added, the life cycle of such pyramid schemes may already be drawing to a close as investors learn from their mistakes.

"Albania was almost the only country that had not gone through something like this, and it may be the last," he said.

Experts say that more than naïveté is responsible for the rise and spectacular collapse of the Central and East European pyramid scandals. In Russia, for example, inflation was so high three years ago that ordinary people were legitimately worried about simply parking their money under a mattress and watching it rapidly lose its value.

"People are betting on miracles," said Anneli Gabanyi, a Romanian-born economist at the Sudost Institut, who watched in disbelief as some of her own relatives invested in the Caritas scheme.

"But if you had been through what these people have been through, it's not so hard to understand. If you had seen communism suddenly collapse, without violence, wouldn't you believe in miracles, too?"

ARMY: *U.S. Defends Project to Retrain the Croat-Muslim Army*

Continued from Page 1

we're concerned nothing be done to make one side feel too cocky and try to resolve things militarily."

The military aid plan was approved by President Bill Clinton in fulfillment of a security pledge to the Bosnian Muslims that helped seal the 1995 Dayton peace accords. It has also received bipartisan congressional support.

U.S. officials involved in the program see little danger of misuse, given Bosnia's interest in maintaining Western ties and economic assistance. And they say the program has proved effective in realizing two American aims in the region.

First, it has driven the Muslim and Croat forces to agree to merge into a single army, which up to now has existed only on paper. The two armies were allied early in the Bosnian war, then battled each other in 1993 and 1994 before resuming a loose alliance against the Bosnian Serbs. While Muslim and Croat soldiers still train in the field in segregated brigades, they recently formed a single command structure, and their commanders have started sitting side by side at a new leadership school.

Second, the promise of U.S. military assistance compelled Sarajevo authorities to close off channels of Iranian arms and training opened during the war, evicting most — though, according to witness accounts, not all — foreign Islamic trainers or fighters from Bosnia. While signs of Iranian influence in Bosnia persist, threats to cancel the U.S. program led to the dismissal of a deputy defense minister, Hasan Cengic, whom American officials portrayed as hostile to the U.S. program and close to Iran.

"I think we've largely captured the flow of arms into Bosnia," said James Pardew, a Defense Department official who oversees the program. "In fact, this program has replaced Iran as the security guarantor of the Sarajevo government. I know of no other way this could have been done."

The program is operated by a group run by former U.S. Army generals called Military Professional Resources Inc. It has operated a much smaller training effort in Croatia since 1994. For the Bosnia contract, it hired about 170 retired American soldiers and assigned them to all levels of the new joint military strucure.

Working from makeshift offices on the third floor of a Sarajevo university building, they have devised an organizational plan for the new federation army that will include 30,000 to 35,000 full-time troops, down from about 250,000 during the war.

On the snowy hillside here in Tesanj, watching his platoon practice defensive positioning, Senior Lieutenant Nedzad Kopic said his only disappointment with the U.S. trainers had been their refusal to answer his questions about offensive operations.

"We did expect more, but we're thankful for what we're being taught," he said. "We'll be able to learn the rest by reading between the lines."

■ Laser System for Bosnian Army

The United States will give a laser guidance system to Bosnia's Croat-Muslim army, Mr. Pardew announced Wednesday, Agence France-Press reported from Sarajevo.

The Lockheed Multi-Integrated Laser Engagement System will provide advanced target training for the forces of the Croat-Muslim Federation.

Meeting Is Set By Hashimoto And Fujimori On Hostages

Compiled by Our Staff From Dispatches

OTTAWA — Prime Minister Ryutaro Hashimoto of Japan and President Alberto Fujimori of Peru will meet in Toronto on Saturday to discuss ways to end the six-week-old Lima hostage crisis, officials said Wednesday.

Japan has been growing increasingly concerned about how Peru is handling a standoff with leftist rebels holding 72 hostages.

Efforts to start talks with the guerrillas have stalled over their main demand of freedom for about 400 jailed comrades, which Mr. Fujimori has refused to discuss.

In Tokyo, Mr. Hashimoto said that Mr. Fujimori wanted to meet " as soon as possible."

On Tuesday, the prime minister indicated Japanese concern that Mr. Fujimori was taking chances with the captives' lives by stepping up psychological pressure on the captors.

Mr. Fujimori has ordered daily maneuvers by heavily armed police commandos outside the Japanese ambassador's residence, where Tupac Amaru rebels are holding the hostages.

On Monday, dozens of police commandos paraded past the residence, on foot and in armored vehicles, while military music blared from speakers nearby.

The rebels fired several gunshots. No one was hurt, but the police said that a bullet nicked an armored troop carrier.

Early Tuesday morning, rebels with a megaphone gathered at a window, singing the anthem "We Shall Overcome!"

The police drowned them out, again switching on military music at high volume.

On Wednesday afternoon, Red Cross officials took a stretcher into the Japanese ambassador's residence, sparking speculation of an imminent release of a hostage.

Mr. Fujimori and members of a commission formed to mediate possible talks with the rebels met Tuesday night with Japan's representative to Peru, Terusuke Terada.

A Peruvian government negotiator, Domingo Palermo, said after the meeting that Mr. Fujimori was "studying the possibility of closer coordination" with Japan.

Mr. Palermo said that Peru recognized that the ambassador's house enjoyed diplomatic privilege and that Peruvian forces could not enter without Japanese permission.

The rebels raided the house during a cocktail party Dec. 17. They have since released all but 72 of the 500 guests they took captive.

Although the police tactics are getting bolder, there is little sign that talks may begin soon.

Canada has been chosen for the site of the meeting between Mr. Hashimoto and Mr. Fujimori because of its role in trying to end the crisis and the convenience of its location for both leaders, officials said.

Also, Canada's ambassador to Peru, Anthony Vincent, is a member of a so-called peace panel that it was hoped would be the forum for negotiations between the guerrillas and the government.

Both sides have accepted the panel's role in the crisis.

The other members of the committee are Michel Minnig, the head in Peru of the International Committee of the Red Cross, and Archbishop Juan Luis Cipriani of Lima.

Mr. Fujimori has insisted that the police maneuvers are not a prelude to an assault but a tightening of security before the start of talks and then a negotiated exit. *(Reuters, AP, AFP)*

Castro Slams Post-Castro Plan

'Outrage' Over U.S. Idea of Financing New Cuban Regime

Agence France-Presse

HAVANA — President Fidel Castro has assailed a U.S. pledge of billions of dollars in aid for a post-Castro Cuba, and insisted that the United States should not underestimate Cuban resistance to tighter U.S. sanctions.

Blasting "their miserable Helms-Burton law and the most miserable plan yet to implement it," which he said had been leaked to him before President Bill Clinton could send it to Congress, Mr. Castro said at a rally in a Havana park on Tuesday that the tighter sanctions would fail.

"They should make no mistake about it," he said, "those reactionaries, those imperialist enemies must not underestimate us."

On Tuesday, a report the White House handed to Congress said the United States would be forthcoming in offering financial support for any transition to democracy in Cuba.

The document said the United States could be expected to be the top contributor of international assistance likely to total between $6 billion and $8 billion "during a six-year period following the establishment of a transition government."

International financial organizations, multilateral governments and other governments would also contribute aid, the report said.

The report was mandated by Congress under the Helms-Burton law, which seeks to curtail foreign investment to Communist Cuba and lays out plans to help bring democracy to the Caribbean country of 11 million.

"What most outrages us is that they are trying to buy us," Mr. Castro said. "They are trying to purchase the day of our would-be surrender."

"It is shameful that someone should imagine freedom and dignity can be bought," he added, "that someone should imagine that for all the gold in the world we would be capable of agreeing to be slaves again."

"Never will the dragon be allowed to devour the lamb," the Communist leader said at the rally commemorating Jose Marti, considered to be the father of the Cuban independence.

"We are awaiting news and more details on this Machiavellian policy," Mr. Castro added, "and we will duly respond to it."

The United States and Cuba do not maintain full diplomatic relations, and Washington has had an economic embargo clamped on Havana for 35 years to try to undermine the Castro government.

The Cuban government regularly insists that it is under the threat of a potential U.S. military action.

Bomb Kills 4 And Hurts 40 In Colombia

Reuters

BOGOTA — Suspected leftist guerrillas detonated a powerful bomb Wednesday that killed at least four people and seriously wounded more than 40 others as it ripped through a building in Medellin, the police said.

General Luis Ernesto Gilibert, deputy director of the National Police, attributed the attack to Marxist rebels and suggested they were targeting the offices of a local businessman who runs one of the government-backed civilian self-defense groups known as *convivirs*. Rebels and human rights organizations say such groups are rightist paramilitary squads.

The explosion in the city center went off at 11:20 A.M. and was caused by a remote-controlled bomb made of about 70 kilograms of dynamite, General Gilibert said.

IRAQ: *White House Sees 'Struggles for Power' Around Saddam*

Continued from Page 1

headed by Defense Secretary William Cohen might want to demonstrate clearly to Mr. Saddam that if he does test U.S. power, the United States will respond.

The administration might also want to avoid the sort of split with its allies in the U.S.-led coalition that emerged last year after Saddam sent troops into northern Iraq.

"They want to lay the diplomatic groundwork" for a response now, Mr. Korb said.

Finally, Mr. Korb suggested, attention to Iraq "could take the minds of the people at home off all that's going on," including assertions of irregularities in campaign fund-raising.

Mr. Burns said that while there was no evidence of any Iraqi military moves that might pose a threat to Iraq's neighbors, "We have learned with Saddam Hussein that, when he does peek his head above the foxhole that he has dug for himself in the desert, it's always good to remind him from time to time about the reality of our relationship with him" and "to remind him of the reality of who's got the power in that part of the world."

General Peay said there were no indications that Iraq might again seek to invade Kuwait, as it did in August 1990. But he cited a high-ranking person in Baghdad as saying that Mr. Saddam was persuaded that he could recapture Kuwait in a surprise attack, and frequently pondered doing so.

The general quoted reports that Mr. Saddam, who has been the target of assassination attempts over the years, was moving about more often than usual, apparently fearful for his security.

General Peay said: "I think it's very interesting that Saddam has just put his wife under house arrest. That is a report by a good source — that his wife is under house arrest."

He gave no details on where, how or why Mr. Saddam's wife might have been restricted. But he suggested that the grenade attack last month on Udai Hussein, who is believed to have been the target of at least two earlier assassination attempts, might have heightened the president's concerns.

The general also said that Iraqi forces had been increasingly active within the areas permitted by the post-Gulf War guidelines enforced by the U.S.-led coalition.

Asked about that, Mr. McCurry said, "I am not aware of anything that would suggest any offensive designs" by Iraq.

In the Dec. 12 attempt on the president's son, assailants fired heavy machine guns and threw grenades at a car carrying him through Baghdad.

Iraq has asserted that members of the Dawa Party, a Shiite Muslim group, carried out the attack and then took refuge in Iran. Tehran has denied any involvement.

Reports from opposition members have suggested that the attack stemmed from a business or a family dispute.

"Udai has been hit very, very hard and has one or two bullets left in his spine and is semi-paralyzed," General Peay said. "He may lose his leg from gangrene."

Iraqi security forces have arrested hundreds of people since the attack, including at least 20 senior military officers and officials, according to opposition members.

Anthony Cordesman, a specialist in Iraqi military affairs at the Center for Strategic and International Studies in Washington, cautioned that "one has to be very, very careful" in analyzing reports from Iraq.

But he added: "What is clear is that Saddam is having problems within his family and clan."

Mr. Saddam's sons, and particularly Udai, "are extremely unpopular, or at least seen as a threat, by the immediate coterie he has relied on," Mr. Cordesman said.

He noted, however, that Mr. Saddam has destroyed opposition in the past, and said that to suggest that he was now in an insecure position was "a leap for which there's little immediate justification and few historical parallels."

The United States and its Gulf War allies have maintained a strong military force in the region since the Gulf War ended in a rout for Mr. Saddam's forces. More than 200 U.S. and allied warplanes are based in the area, backed by strong naval forces.

While no U.S. troops are permanently based in Kuwait, hundreds move through the sheikhdom or are based there in temporary roles as advisers. Next month, a battalion of 1,200 army troops is scheduled to conduct exercises in Kuwait.

Manifesto Assails Swiss Government Over Nazi Gold

The Associated Press

GENEVA — Contending that the Swiss government has severely damaged the nation's image in its handling of the Nazi gold affair, more than 100 leading Swiss personalities issued a manifesto Wednesday urging a turnabout on policy.

Meanwhile, Switzerland named Alfred Defago as its new ambassador to the United States after the resignation Monday of Carlo Jagmetti for undiplomatic remarks about the affair. Mr. Defago is general consul in New York.

Actors, writers, university professors and movie producers joined forces to demand a concerted government-led campaign against a rise in anti-Semitism in Switzerland. They also demanded a full revision of Swiss history to provide an accurate picture of events. The signatories said they had felt "discredited by the behavior of Swiss banks and the ruling Federal Council."

People signing the statement included the authors Peter Bichsel and Adolf Muschg and Switzerland's best-known rock star, Polo Hofer. The statement was compiled in reaction to remarks by the departing president, Jean-Pascal Delamuraz, who in a New Year's Eve interview characterized demands by Jewish groups that Switzerland pay compensation to Holocaust victims as "blackmail" and "extortion."

"The standing and credibility of Switzerland as a democratic nation are compromised and imperiled," the statement said. "The behavior of the president and the Federal Council has caused severe damage to our country's view of itself and its culture."

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Peace Consensus

Something new and important has emerged in Israel in recent weeks — the makings of a consensus on peacemaking with the Palestinians. One clear sign came in the decisive 87-to-17 parliamentary vote supporting the Hebron agreement two weeks ago. Another is the set of guidelines for a final peace settlement jointly endorsed by a number of leaders of both the Labor and Likud parties.

Less than a year ago Israeli society was sharply divided. A Labor-led government was ready to push ahead toward a final territorial settlement that would have conceded most of the occupied Gaza Strip and West Bank, outside Jerusalem, to the Palestinians. The Likud-led opposition was opposed to the initial round of Israeli troop withdrawals and remained determined to keep most of the West Bank under permanent Israeli control.

But seven months in power has shown the Likud mainstream, including Prime Minister Benjamin Netanyahu, that a strong majority of Israelis believe in trading Palestinian-inhabited territory for a secure peace.

Much of Labor, meanwhile, including some of the party's most prominent doves, now understands that without securing a consensus for peace there can be little prospect for successful negotiations on the critical issues that remain. These include the future of Jerusalem, Jewish settlements, security arrangements and the possibility of Palestinian statehood.

The joint peace guidelines announced on Sunday are based on three central principles. Palestinians should be able to establish their own self-governing "political entity." Israel should retain the right and ability to defend itself, including special security provisions in the Jordan Valley. Finally, no Jewish settlements should be forcibly uprooted, although some outlying communities may be surrounded by Palestinian-ruled territory.

The leaders agreed that Jerusalem must remain united under Israeli sovereignty, but that a Palestinian administrative capital might be established in the suburbs and special status provided for the city's Muslim and Christian holy places. Participants failed to reach a consensus on other key details, for example, whether the Palestinian "political entity" should be called a state.

For the Likud participants, the guidelines represent the first explicit acceptance of eventual territorial partition. For those on the Labor side, the biggest step involves recognizing the permanence of settlements. There was no Palestinian participation in drafting the guidelines, but some of the provisions on Jerusalem reflect ideas informally worked out between Israeli and Palestinian negotiators when the Labor government was in power.

The negotiating guidelines are not binding on either Labor or Likud. But the proposals, and the process that produced them, make it more likely that Israel can be united as it addresses the emotional issues deferred to the final round of peace talks. Setbacks to Mideast peacekeeping can come at any moment, but so can surprising advances. Few have been as important as the growing convergence of Labor's and Likud's positions on peace.

—THE NEW YORK TIMES.

Rebuilding Chechnya

In the Caucasus region on Russia's southern border, the breakaway province of Chechnya has conducted a peaceful and democratic election. The world's nations, although not recognizing Chechnya as an independent state, should salute this for the achievement it is. During most of the past two years Chechnya has been at war, fighting off the vast Russian army in a struggle that killed thousands and devastated cities and countryside alike.

The Chechens not only put down their guns to vote in large numbers on Monday; they apparently elected, by a wide margin, the candidate most committed to dialogue with Russia and to peaceful reconstruction, Aslan Maskhadov, rejecting a fire-breather regarded by Russia as a leading terrorist. Russian President Boris Yeltsin signaled the Kremlin's relief in a statement that hailed the election results as giving "a serious chance for productive negotiations to continue."

No one should read too much into these results, however. The Chechens may have voted for peace but they are as committed to independence as ever. Mr. Maskhadov led the military campaign against Russia, and he, like every one of the 13 candidates in Monday's election, considers Chechnya an independent country already. All that remains now, he said on Tuesday, is to secure world recognition.

For its part, Russia insists that Chechnya is and will remain part of Russia; but Russia, having lost the war, has withdrawn all its troops and enjoys little practical sway over the small province. Russia's perpetually grumpy foreign minister, Yevgeni Primakov, complained about international observers monitoring the election, for example, but the observers (sent by the Organization for Cooperation and Security in Europe) fortunately were not deterred.

The ambiguity of Chechnya's status serves both sides for the moment, and other nations should do nothing to disturb it. Mr. Maskhadov seems wise enough not to rub Russia's nose in its defeat, but to concentrate instead on rebuilding Chechnya.

Russia has a moral obligation to help in that reconstruction, but don't hold your breath. More promising are areas where the interests of both Russia and Chechnya could be jointly served, such as the routing of an oil pipeline from Azerbaijan through Chechnya toward the West.

Chechnya will need many years to recover from Russia's brutality. At least now the process can get under way.

—THE WASHINGTON POST.

Good News on AIDS

The news on AIDS deaths in New York City is startling. Scientists gathered in Washington for a five-day AIDS conference last week were buoyed by the latest statistics from America's largest city, which has 16 percent of the country's AIDS cases. The heartening surprise is that the number of people who died of AIDS in New York dropped from 7,046 in 1994 to 4,944 last year. The cause is not entirely clear. But, as one doctor remarked at the conference, "It's good news, and we haven't had a lot of that in the AIDS epidemic."

In spite of the fact that the first of the new protease inhibitor drugs was licensed only in December 1995, and the other two last spring, these medicines surely account for much of the decline in deaths already. Health experts in New York also credit the infusion of federal money, under the Ryan White Act, which enables them to treat many more patients and more of the complicating illnesses that often hasten AIDS deaths.

Some progress also must be the result of education programs and behavior modification undertaken in the years before the new drugs became available. Those who did not contract HIV four or five years ago are not dying now. But it is still unclear why this phenomenon has not occurred in San Francisco, for example, where AIDS deaths rose slightly last year, or in Los Angeles, where the drop was much smaller than in New York.

The downside of the good news is that it may induce complacency. If those most at risk of AIDS mistakenly believe that the disease now can be cured, they may become careless about avoiding behavior that transmits the virus. The new drugs have been used for only a short period of time. Their effectiveness may decline with use. Many people with AIDS are not helped by protease inhibitors. And some, particularly addicts and others with disorganized lifestyles, find it difficult to keep to the 30-pill-a-day regimen that produces results.

Finally, although the New York figures are cause for joy in the United States and Europe, where government services are generous and public health is generally good, they are meaningless in those parts of the developing world where the epidemic is rampant and resources for treatment are extremely scarce.

The need for continued education, research and subsidized care for the afflicted continues even as the good news from New York justifies hope.

—THE WASHINGTON POST.

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Let's Hope France and Germany Get It Right

By Jim Hoagland

WASHINGTON — Two centuries of bitter conflict and proud diversity have produced a modern Europe in which the Germans control the money and the French have the bomb. Imagine the world's dilemma if it were the other way round.

Yet Europe's fundamental postwar equilibrium is being tinkered with, in talks between Paris and Bonn. Bubbles float to the surface suggesting strong currents clashing over the proposed creation of new European institutions and a Euro-currency.

No need to run to your currency broker's office or the cellar yet. No one in power is proposing a complete reversal of the effective balance of power that these two old adversaries established after 1945 and after fighting three wars in 70 years. No one is proposing a German finger on the nuclear trigger or a French hand on the crank of the Bundesbank's D-mark printing press.

But lesser changes crowd in as the millennium-ending deadlines for European integration mandated by the 1991 Maastricht treaty approach. The rest of the world has an enormous stake in how the European experiment turns out.

Maastricht, as the integration process has come to be known, is a French-inspired effort to restrain the enormous power that a reunified Germany could exert in Europe after the Cold War. Sensitive to the past and to European acceptance of unification in 1990, Chancellor Helmut Kohl works hard to show support for these French ideas.

That amiability seems to lie behind Mr. Kohl's joining French President Jacques Chirac on Dec. 9 in signing a confidential "common strategic concept" paper that commits both nations to "a dialogue on the role of nuclear deterrence in the context of a European defense policy." The document was leaked to the French press last week.

The French obviously would favor giving more political and military content to new institutions proposed by Maastricht. Those are the areas of French strength.

More than any other nation, France believes in and depends on the transformation of Germany into a democratic country done with war. Still, possession of the world's third most powerful nuclear arsenal and a will to use force in the national interest keep the French secure in dealing with their larger, more economically powerful neighbor.

The joint strategic document restates an old French idea that surfaces periodically. Paris likes holding out the possibility to the Germans of some involvement in French nuclear policy — in a European context that would also give the French influence on German monetary policy.

Usually the Germans run full tilt away from the notion of nuclear involvement, citing the commitments their nation has given in several treaties never to engage in the manufacture or possession of or control over nuclear, biological or chemical weapons.

This time Mr. Kohl moved an inch forward toward the French instead of shying away. He did the same thing recently in ordering his military to join France in developing a costly European military reconnaissance satellite instead of buying a much cheaper, more powerful U.S. satellite off the shelf.

At the same time that the French are pushing him on military and political matters, Mr. Kohl is coming under increasing pressure from German politicians and bankers for ironclad guarantees not to sacrifice the economic stability brought by the mark, their proudest creation of the century.

For a decade the French have pegged the franc's value and their interest rates to German fiscal decisions. French unemployment has soared to record levels, but Paris has become a leader in the low-inflation club that the Bundesbank sees as the key to Europe's stability.

But old suspicions die hard in the economic arena, too.

Some French political leaders have fed German suspicions by arguing that adopting the euro as a new currency will allow France and its partners to pursue looser monetary policies. The Bundesbank has dug in its heels and insists on rigid adherence to tight money and Maastricht's economic performance standards, both before and after the 1999 creation of the euro.

French-German cooperation on building a new Europe pits politics against economics. The French see creation of the euro, and of a new integrated Europe, as a political decision that will rise or fall on political will. Most Germans still see economic criteria and forces as decisive. It will be months before we know which view will prevail.

But we already know this: Keeping Germany and France involved in a process that reconciles and conciliates their differences is vital to European peace. The world has an enormous stake in Bonn and Paris getting the new equilibrium right.

The Washington Post.

The Welfare State? An Economic Cornerstone, Not a Luxury

By Ethan B. Kapstein

PARIS — The welfare state is the cornerstone of the global economy. With rising competition and job insecurity, workers will rely more on state resources for unemployment insurance, education and training in coming years. In the absence of these government policies and programs, political support for globalization would erode.

Why don't public officials seem to recognize this fact? Because their attention is focused on the demands of mobile capital rather than on those of immobile labor.

Since capital's main priority is tax cuts, the revenue base for the very programs that the unemployed and uneducated require is being eroded. In recent years the tax burden has increasingly shifted onto labor's shoulders.

Recent signs of social disruption around the world should raise a red flag. When workers reach the breaking point, they may bring the global economy down with them. The very point of the welfare state, as Franklin Roosevelt recognized, is to protect capital from its own self-destructive tendencies.

In Washington, Bill Clinton has signed legislation which effectively decentralizes welfare policy. Important decisions will now be made in state capitals rather than in Washington. America has thus abdicated its leadership on welfare-state issues.

This is a historical aberration. After World War II the United States led in the creation of international institutions which effectively globalized the welfare state. The International Monetary Fund and the World Bank were brought into existence to buffer domestic societies from the worst ravages of unbridled capitalism, and the General Agreement on Tariffs and Trade included provisions to protect workers from unfair trade.

These institutions were created at American insistence, because U.S. officials had learned an important lesson from the Great Depression and World War II: that social disruption threatens peace and prosperity.

If we are to bequeath social justice and an expanding international economy to our children, we must act to preserve the welfare state. That means not only ensuring that benefits for the unemployed and destitute will be maintained, it also requires putting labor issues on the world's trade and financial agendas — something that ministers and central bankers have avoided to date.

It could also mean multilateral action to minimize any further lowering of corporate tax rates.

As a modest first step, however, it would be appropriate for President Clinton, as the free world's leader, to offer his thoughts about how to assist those on the losing end of economic change.

The writer is Stassen professor of international peace at the University of Minnesota. These comments for the International Herald Tribune are based on remarks prepared for the World Economic Forum in Davos, Switzerland.

The Tide Turns Against Irresponsible Worship of the Market

By William Pfaff

PARIS — The World Economic Forum in Davos, Switzerland, which opens this Thursday, has established a place on the international political as well as economic calendar, and provides a reliable indication of the prevailing intellectual currents in international business and government.

Last year the meeting celebrated business and trade globalization. This year its theme is the anodyne "Building the Network Society" — appropriate to the saturnalia of business networking which the event provides for its one thousand corporate members, but a distinct retreat from capitalist triumphalism.

Times have changed, and the forum with them. Its directors have this year established a project examining issues of human social responsibility, with Elie Wiesel, the theologian Hans Küng and Cardinal Roger Etchegaray, president of the Vatican's Commission for Justice and Peace, among the political, legal and academic figures involved. Organized labor now has a major place in the dialogue, with John Sweeney, new head of the AFL-CIO, as one of the international labor leaders on the program.

"Corporate citizenship" and the proper priorities of corporate management will be debated, as will be the question of whether a new moral contract needs to be articulated among employers, employees and the communities in which corporations function.

There will be discussion of the trade-offs between economic competitiveness and social cohesion (and social justice), and between price stability and unemployment. The negative consequences of technology will be considered, as well as the negatives of the U.S. economic model.

All this reflects significant change in how the corporate elite perceives its role, and in how modern capitalism now is assessed internationally.

The conventional wisdom of the industrial world until recently unqualifiedly endorsed globalization and the primacy of corporate over social interest in the international economy. The system's apologists insisted that globalization would inevitably produce not only higher international living standards but a more just society.

Now there is much doubt about the actual political and social results of globalization, as thus far experienced. The social effects in the advanced countries include much unemployment, and political and social unrest, in Europe; widening inequalities and economic marginalization of a part of the working population in the United States; and most recently a violent reaction in South Korea to labor legislation intended to promote Korea's globalization.

It has become evident that the argument that globalization raises international living standards rests on the assumption that the international labor market is effectively finite, and hence that labor eventually will recover the ability to bargain from strength, which is not true. For practical purposes the international labor pool is infinite, and the bargaining power of labor is the lowest it has been in a century. The political implications of this have only begun to be appreciated.

However, more important is the widening perception of today's capitalism as a dehumanizing force, whose dominating purpose is mere individual aggrandizement. This criticism has before been most often made by religious and philosophical critics of contemporary society, but today it is much more widely expressed.

The most dramatic recent intervention has been that of the financier George Soros — the man who has exploited the opportunities offered by contemporary financial markets more successfully than nearly anyone else, but who is too intelligent not to see that a purely materialistic system of values is essentially totalitarian, destructive of culture and the values of civilization.

Western capitalism during and after the Great Depression learned to respect the common good and civic values, and this was taught in the business schools. Corporate "citizenship" was practiced, and was expected of the corporation by communities and governments.

Europe's reconstruction after World War II was carried out by an alliance of social democrats with social Christians, producing the welfare capitalism, or social capitalism, of Western Europe. The welfare state in Britain derived from Nonconformist Protestant ideas of social solidarity and justice, endorsed by "one-nation" or "Whig" Conservatives, insisting upon the obligations of the well-off to the poor.

The policies produced by this thinking were not all successful, and some produced their own forms of selfish exploitation. In time came the supposedly tough-minded reactions of anti-welfare, neoconservative and libertarian thinkers and politicians during the 1980s.

We are now at a point where the reaction has begun to run aground.

The most intelligent thinkers in the conservative and pro-business camp now are prepared to acknowledge the social ravages produced by the last two decades' elevation of corporate and individual self-interest over consideration of common good. The idea that self-interested behavior in the marketplace would automatically advance the common interest now is recognized as naive ideology, or a self-interested self-deception.

More than fraud or sophistry is at issue, as Mr. Soros argues. The natural tendency of the market is toward income inequality. It also tends toward the destruction of those values which do not produce commercial return. It is not unreasonable to speak of the totalitarian tendency of unregulated market capitalism.

But times are changing and the marketplace now increasingly is judged with political as well as economic discrimination and realism. This is evident in the Davos program, and is the most interesting and significant aspect of this year's meeting.

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A New Ballgame for Which Players?

By Klaus Schwab and Claude Smadja

This is the first of two articles.

DAVOS, Switzerland — The industrial revolution led to the emergence of a new society at the end of the 19th century. Now economic globalization and the information-technologies revolution are creating yet another type of society — the network society.

By the new horizons it opens, this new type of society is a quantum leap from what we are used to. It tests to the limit the ability of political and economic leaders to manage repercussions of the changes.

The emerging network society is not bound to be better or worse than the society we have known so far. Nobody can say at this stage if it will reduce or increase the sense of alienation that so many people and communities feel today; if it will ease or exacerbate tensions between national cultures and global interests.

We feel more strongly by the day the tremendous destabilizing pressures that the process of economic globalization is creating on the social fabrics of the industrialized as well as the industrializing countries.

For all the seemingly endless possibilities it opens, the onset of the network society is not all excitement and wonderment. It brings wrenching readjustments for whole categories of people. Governments are being thrown into disarray when it comes to coping with the dramatic economic changes and their social implications.

Most of the governments in industrialized countries face a credibility crisis today. They are struggling to keep lines of communication open with a public opinion more and more skeptical of their ability to meet challenges that the emergence of the network society creates.

Basic assumptions — like the definition of work, of money transfer, of tax collection, of interactions in general — are changing. The intangible e-dimension, the emergence of virtual communities, will lead to changes in much that we do, in the way we live.

It would certainly be extremely dangerous to assume that the course of events will automatically take care of these issues, and that those who feel alienated will remain passive, gracious losers in an economic and technological revolution that they could see as depriving them of a future.

History never repeats itself in any mechanical way, but we need to think about the convulsions that the onset of the industrial society brought with it, to grasp the potential for destabilization that the emergence of this new era brings.

Of course, there are today a number of almost built-in safety nets at either the national level (the welfare state) or the international level (the ability of financial markets to absorb shocks). But whatever shape the new society will assume 10 or 20 years from now, some key issues already demand urgent attention.

The ever increasing emphasis on knowledge-based value addition has two significant implications. One is that we are entering an era in which wage differentials for similar types of activities between one country and another will become totally unsustainable if they are not legitimized by an equivalent differential in added value.

Expanding delocalization worldwide is acting as a great equalizer in that respect. This means that the downward pressures on wages in activities with stagnating added value creation will increase substantially in the industrialized countries in the coming years, threatening more and more the jobs and the salary levels of whole categories of employees.

The second implication is that without decisive policies in the domain of education and training, the gap between the knows and the know-nots is bound to increase.

If we are not very careful, there is a real danger that the network society will be much less fair, much less socially cohesive, than what has existed in industrialized countries in the latter part of this century.

The debate on how to promote knowledge generation, on the education and training policies required to ensure that individuals are keeping up with technological changes, will have to take center stage.

Here the division of labor and responsibilities between governments and corporations is crucial, with all the fiscal implications this may have.

Klaus Schwab is founder and president of the World Economic Forum in Davos, and Claude Smadja is its managing director. They contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Alaskan Limits

WASHINGTON — Mr. Olney, the Secretary of State, and Sir Julian Pauncefote, the British Ambassador to the United States, expect to conclude a convention for the final settlement of the dispute between the United States and Great Britain as to the boundary between Alaska and the British North American possessions. A joint commission of scientists will be provided to locate the boundary and set up suitable monuments and marks.

1922: Women's Status

BERLIN — The extent to which women shall play an active part in medical jurisprudence in Republican Germany is widely discussed here. Judge Stadelmann, of the Potsdam Law Court, referred to the fundamental difference between the psychic and physical dispositions of men and women and declared that women cannot be expected to consider the facts of a case in a perfectly unbiased fashion without any emotional influence. The well-known women's lawyer Frau Margaret Berent quoted Plato, who advocated that women should take part in all the functions of the State.

1947: Out of China

PEIPING — The impending dissolution of the Peiping executive headquarters wipes the slate clean on the abortive year-old American mediation effort in China and foreshadows a probable withdrawal of most of the remaining U.S. Marines. The United States will also withdraw from a committee of the Big Three which was established in China in February 1945 in an effort to end hostilities between the two factions.

OPINION/LETTERS

Debt Is an Illness, Amendment No Cure

By George F. Will

WASHINGTON — In 1916 the U.S. national debt could have been paid off by the nation's richest man, John D. Rockefeller. This year the two richest Americans, William Gates and Warren Buffett, working together would go broke trying to pay even two months' interest — approximately $50 billion — on the national debt.

Does that get your attention? It is from John Steele Gordon's lively little book, "Hamilton's Blessing: The Extraordinary Life and Times of Our National Debt." This 198-page primer appears just in time for the beginning of the great debate of this year, and perhaps of the remainder of the decade.

The debate is about the proposed constitutional amendment to require a balanced budget — or, to be precise, to require supermajorities of 60 percent in both houses of Congress to authorize a deficit. Mr. Gordon's subject is debt, a subject for which few people have had anything nice to say since Alexander Hamilton said in 1781 that "a national debt, if it is not excessive, will be to us a national blessing."

So it has frequently been, and a blessing to the world, too, in two world wars. Establishing sound public finance was the first challenge of the new nation, which is why the Treasury Department had 40 employees when the State Department had but five. The sale of government bonds to banks was crucial to expanding the money supply, which ignited commerce, which united the regions.

Not, of course, without the Civil War. But it was won by the men and materiel financed by a 42-fold increase in the national debt between 1860 and 1866. War, a wise man once said, is the health of the state. It certainly has fattened up the national debt, which went from $1.2 billion in 1916 to $25.4 billion in 1919, and from $48 billion in 1941 to $269 billion in 1946.

There have been, Mr. Gordon notes, seven periods in which the debt steadily increased, six when it declined and three when it was stable. Six of the seven periods of increase involved either a major war or depression. It is the seventh period, which began in 1960, that is ominously different and has driven the nation to the brink of constitutionalizing the pay-as-you-go principle.

In the last 36 years, business fluctuations have been, on balance, remarkably mild and the Vietnam War was, relative to the size of the economy, a small burden. Yet the national debt has increased 17 times more than in all of the nation's first 184 years. In the past 15 years federal revenues have increased 25 percent (largely because of, not in spite of, the Reagan tax cuts and reforms) and our principal foreign adversary has imploded, yet the debt has soared.

Why? Here is a hint: In 1985, the year the deficit finally became a large political issue and Congress passed the Gramm-Rudman law that was supposed to control it, Congress also enacted 54 new benefit programs, bringing the total then to 1,013.

Why are there now debt service costs of more than $1,000 per American per year? Because, Mr. Gordon writes, debt has served "the political self-interests of a few thousand people" — federal elected officials in these 36 years.

Mr. Gordon does not explicitly endorse term limits as part of his recipe of reforms but he does cite "the transformation of politics into a lifelong profession" as part of the problem, along with the proliferation of political action committees and a tax code full of vote-buying deductions and credits — a code that has been amended more than 4,000 times, an average of more than an amendment a day, in the 10 years since the Reagan simplification of the code. Mr. Gordon proposes campaign finance reforms and a flat tax.

He emphatically does not endorse the "chimera" of a balanced budget amendment, which he considers an invitation to gimmickry of the sort New York state used in 1992 when $200 million was needed to meet the constitutional requirement of a budget balanced out of current income. Were taxes raised or spending cut? Not exactly.

Instead, the state sold Attica Prison to itself. A state agency established to fund urban redevelopment borrowed in the bond market, gave the money to the state and took title to the prison.

The state recorded as income the $200 million its own agency had borrowed, declared the budget balanced, then rented the prison from the agency for a sum sufficient to service the $200 million debt.

Imagine the potential for fiscal prestidigitation at the federal level. Alas, one moral of Mr. Gordon's highly entertaining and informative story is this: The very habits of governance that make a balanced budget amendment tempting make such an amendment problematic.

Washington Post Writers Group.

The Conflicting Basics of Army Life

By Alysia Bennett

WASHINGTON — Ten years ago, when I tried on my U.S. Army Class A uniform for the first time, I had a lot of help from my drill sergeant. Not convinced it fit properly, he inserted his hand in my pants and slowly began to move his hand back and forth to demonstrate the point. His eyes not meeting mine, and his hand lingering, he asked: "Bennett, when are you going to do something with your hair?" When his eyes finally rolled up to meet my nervous stare, he smiled in amusement.

I was 17, a private just a few weeks into my enlistment, and distinctly uncomfortable. But by the time I graduated from basic training, that incident was less vivid in my mind than others involving my drill sergeant: his concern when I lost my appetite; his cheering when I earned my sharpshooter badge.

All of which is a way of saying that the army I've read about in recent news coverage of sexual harassment and rape in the military is both familiar and foreign to me. Yes, my experience was fraught with imperfection, but the story doesn't end there.

Despite the difficulties, awkward moments and occasional misuses of power by superiors, I look back on my enlistment with pride and — strange as it may sound — on my sometime tormentors with appreciation. While at times they embarrassed me with inappropriate gestures, their faith in me as a soldier and as a person never wavered, a fact they made clear through word and deed. And so my feelings toward them are as complicated, and conflicted, as were their actions.

During basic training at Fort Jackson, in South Carolina, I shared the barracks with a platoon of young women. Our education began with the discipline of quiet submission. We learned how to say "yes, drill sergeant" and "no, drill sergeant" and to avert our eyes from theirs. We low-crawled in sawdust pits and did sit-ups in the mud. We beat our bodies into subjection.

"It's mind over matter, privates," my drill sergeants quipped. "If you don't mind, it don't matter."

That became my mantra.

Barely out of my prom dress, I had become one of America's finest, tossing hand grenades, setting up land mines and firing my M-16. I was tougher and stronger than I ever imagined I could be, and I owed that to the army.

But while I was tough enough to kill for my country, I was not so tough that I would ever offend or disobey. That mentality makes for a great soldier, but it also permits a lot of misconduct.

For the most part, though, what I remember about the drill sergeant who put his hand in my pants is his encouragement to stand tall, even when I didn't believe I could. He was the first, but not the last, of his kind that I would submit to during my army career: men of authority who could be both degrading and supportive.

In September 1991, my unit was deployed to the Gulf for Operation Desert Shield and eventually Desert Storm. I was the only woman in my squad and one of only a few at campsites when we went out on maneuvers. I spent more than eight months in the desert, often in the isolated company of male soldiers, including my platoon sergeant, who had a knack for sexual innuendo. If ever the opportunity for harassment and abuse of power existed, it was then.

Instead, they all looked out for me. The only enemy I knew was faceless and somewhere outside our perimeter.

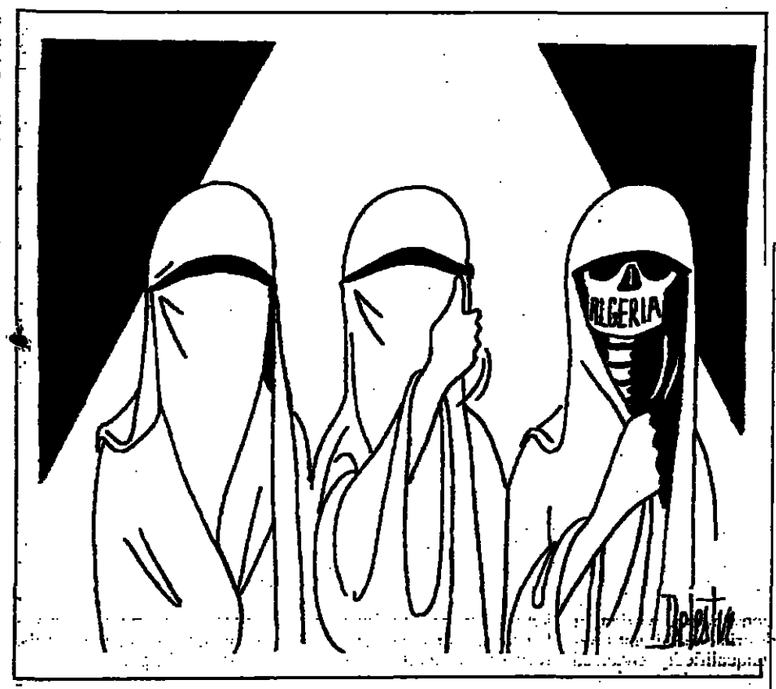
I was determined not to play the helpless woman during the Gulf crisis, so I made every effort to be self-sufficient. I was successful until old neck and back injuries resurfaced. Simple tasks like filling sandbags or carrying water to the shower area were suddenly difficult. Once, I was struggling to carry a five-gallon container of water to the shower. Throbbing pain forced me to stop every few feet. Seeing the problem, my platoon sergeant tried to step in and help.

> ***My drill sergeant put his hand in my pants. But his faith in me as a soldier and as a person never wavered.***

"I can do it myself," I said, as I staggered on. Finally, he insisted on carrying it. When we arrived, he waited in line with me, then climbed to the top of the stall and filled the outdoor container with water. He climbed down and left without his usual unsavory monologue.

My days in the Gulf were filled with incidents like that. So was my entire enlistment. Often these acts of kindness came from the same men who had grossly failed to exercise judgment on previous occasions. I don't make excuses for them. They don't deserve any. But, in a world that leaves room only for heroes and demons, so much of the story is left untold.

The writer, a news aide at The Washington Post, served in the U.S. Army from 1987 to 1991. She contributed this comment to The Post.



MEANWHILE

LETTERS TO THE EDITOR

NATO Expansion

Regarding "Let's Be Serious: There's No Good Reason to Enlarge NATO" (Opinion, Jan. 18) by Mikhail Gorbachev:

There are very good reasons to enlarge the North Atlantic Treaty Organization. First, it is a step that the people of Central Europe wish to take. They may desire closer ties with the West, or even protection from a power that tries to veto their foreign policy decisions. This is called democracy.

Second, we must prevent the nationalization of Central Europe's defense policies and the creation of intraregional alliances, which characterized the 1930s with unfortunate consequences.

Third, NATO's expansion eastward is vital to the interests of its most important European member, Germany.

But, of course, the people's will and other considerations sometimes must be overriden by strategic concerns. And Mikhail Gorbachev may be totally right when he says we cannot enlarge NATO because this could "compromise the future of democracy in Russia." We must give thought to the "exceedingly delicate transitional phase" that Russia is experiencing. We cannot afford to give fodder to Moscow's anti-Westerners that might drive Russia to "countermeasures that could reverse the course of European détente." This could endanger Russia's stability and its integration with the West, threatening us all.

Yes, there are many excellent reasons to enlarge NATO. But Mr. Gorbachev tells us we may have to forfeit them all to avoid turmoil in Moscow and to sustain "overall military security."

How then can he claim that Russia does not pose a threat to anyone?

MAURIZIO GIULIANO.
Cambridge, England.

Regarding "Europe Isn't Russia and Shouldn't Be Bullied" (Opinion, Dec. 31) by Stephen S. Rosenfeld:

Mr. Rosenfeld is correct in saying that the issue of NATO's enlargement "is an emotionally and culturally insistent one."

What he overlooks, however, is that there is no simple line between Europe and Russia but that for 1,000 years there existed in Central Europe a major power represented by the Austro-Hungarian empire and its predecessors. That power was destroyed at the end of World War I and left a vacuum that was filled in turn by Nazi Germany and Soviet Russia. What Mr. Rosenfeld is suggesting, in effect, is that this vacuum now be filled by NATO and the European Union.

This idea, if implemented, would fail just as the two previous attempts failed. Central Europe is and will remain a distinct entity. Budapest may be more "Western" than Moscow, but a typical Hungarian, Romanian or Polish village has more in common with a Ukrainian or Russian village than a French or English one.

It is also naive to think that in the real world, NATO — i.e., the United States — would defend, say, the Czech Republic any more than the British or French defended Czechoslovakia in 1938, regardless of treaty obligations.

What is needed now is a total rethinking of Europe in light of the extraordinary opportunity presented by the defeat of Nazi Germany and the Soviet Union. A mere takeover by NATO and the EU just won't do. It is bound to provoke a Russian reaction once that country has recovered its stability.

We have a historic opportunity to go back to deep roots and rebuild Europe's political and economic structure consistent with European heritage and the international realities of today.

Our political leaders may be too steeped in the Cold War to articulate a new vision. But while we wait for a new Jean Monnet to appear, members of the "civil society" — the universities, the media, religious groups — could begin to lay the foundations through a broad exchange of ideas.

MILO VESEL.
Divonne, France.

The division of Europe has ancient historic roots and is due in large part to the failure of most Eastern European countries, like Russia, to absorb the benefits of the Renaissance and the Enlightenment, except in superficial ways.

To bring the shaky democracies of Eastern Europe into NATO now would have assured benefits — but only for defense contractors. Let's take a look at this situation in a few years, when Russia and its neighbors may have become more rooted in democratic Europe.

ROBERT F. ILLING.
Porto, Portugal.

European Facts of Life

Regarding "Europe Has 17 Months to Get Serious on Bosnia" (Opinion, Jan. 25) by William Pfaff:

A more appropriate headline would have been: "America Has 17 Months to Get Serious on Europe." For it is one thing to say that as of June 1998, Bosnia becomes Europe's problem (again). It is quite another to answer the question: Which Europe?

Much as one sympathizes with an ally that is time and again requested to pull the chestnuts from the fire by friends who cannot get their act together, the fact of the matter is it is highly unlikely that Europeans will have accomplished this feat by mid-1998.

May this European therefore in all humility express the hope that, for the benefit of all, Americans and Europeans, members of the U.S. administration in the future base their decisions on rather more realistic assumptions.

J. H. MEESMAN.
Lopik, Netherlands.

A Visit to China

Regarding "Shuttling Congresspersons to Remedial Classes in China" (Opinion, Jan. 24) by Tom Plate:

How many of the congresspeople visited a Chinese prison or re-education establishment, and how many watched people being tortured or even executed? The legislators' thinking was no doubt profoundly changed, but it is hardly likely that their view was particularly balanced.

NORMAN SANDERS.
Ipswich, England.

Le Monde: the French opinion leaders' cup of tea

Be they managers of French companies, politicians or famous names from the arts, French opinion leaders prefer Le Monde. This is the conclusion of an IFOP survey of French Elites*. Chosen by an overwhelming majority for the quality of its information and for its influential role, Le Monde is the newspaper most read by opinion leaders, well ahead of the other national dailies and many French news magazines.

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*IFOP/LE MONDE survey carried out in March/April 1996, of 1100 personalities in economics, politics and the arts.

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HEALTH/SCIENCE

TOMORROW: LEISURE

Latex Allergy Grows In the Age of AIDS

Reaction to Gloves Can Be Fatal

By Jim Robbins
New York Times Service

HELENA, Montana — She was merely present in a hospital emergency room where a nurse was wearing latex gloves. But for Debbie Anderson, 37, the encounter was almost fatal. Later that night, a latex allergy sent her into anaphylactic shock and she nearly died. Her brain was deprived of oxygen for so long that she went into a coma, and, now, more than two years later, she remains seriously brain damaged.

Ms. Anderson's extreme sensitivity to latex is not an isolated occurrence, but, according to experts, part of a growing problem.

When the full scope of AIDS became known in the 1980s, many different segments of society — fast-food workers, toll takers, police officers and especially health care workers — donned latex gloves, and allergic sensitivity to the substance jumped.

"It is very widespread," said Dr. Mohamed Yassin, an allergist in St. Cloud, Minnesota, who specializes in latex allergies. It has become one of the biggest worries for health care workers since the danger of contracting AIDS from blood contamination became known, Dr. Yassin said.

There are different types of allergic reactions; latex causes those called Type I and Type IV, but not others. Type I, the most severe, can lead to anaphylactic shock and death, identical to the reaction some people have to bee stings or shellfish. Type IV is a skin rash caused by latex or by the chemicals in the gloves.

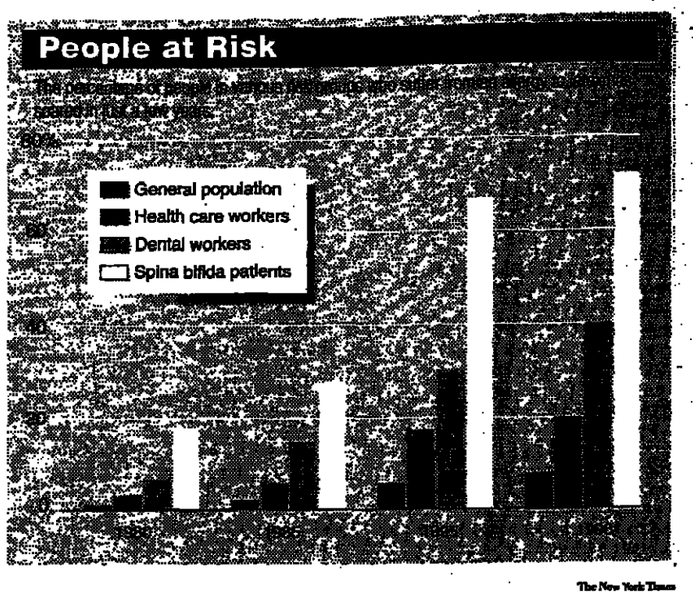
A recent epidemiologic study of the problem by Dr. Margaret Fay, a researcher with London International, a British company that makes latex products, shows that since 1980 the number of people in the general population with both types of latex allergies has grown to 8 percent from 1 percent, while the number of dental workers has increased to 40 percent from 7 percent, and the number of other health care workers has risen to 20 percent from 3 percent. Spina bifida patients have suffered the greatest increase, to 72 percent last year from 18 percent in 1980.

Dr. Fay cautions that data are hard to come by and that "most of the numbers we have are a best-guess scenario."

Initially, the latex protein gets into the body along several pathways, which creates the allergy. The single biggest source, experts say, is the powdered cornstarch on latex gloves, which makes them easier to slip on.

The latex protein in the glove that causes the allergy combines with the powder during the manufacturing process. When the dust becomes airborne, it may be breathed into the lungs. The problem is worsened by numerous glove changes during a work day.

Another way the allergy is created is through the contact of powdered latex gloves with mucous membranes, especially during multiple operations, but sometimes during multiple gynecological exams or dental procedures. Ms. Anderson had undergone four operations for ulcerative colitis before her reaction.



The New York Times

The reaction to latex may be worsened when someone eats a banana or other fruit that has a protein similar to latex and is then exposed to latex around the same time.

"Debbie Anderson ate a banana before she went to bed," Dr. Yassin said. "That was the straw that broke the camel's back." Papayas, avocados and nuts can cause similar problems.

THE Food and Drug Administration recognized the problem of latex allergies as long ago as 1991, when 16 people undergoing surgery for spina bifida died after the use of a latex-cuffed enema tip. But the warning about other types of latex sensitivity went largely unheeded, and only now are the changes showing up in the way health providers do business.

Last fall Food and Drug officials proposed that products containing natural rubber latex be labeled with a warning that the product "may cause allergic reactions." Some activists feel the proposed language is not strong enough.

At present, experts say, people must learn to live with a latex allergy, for there is no way to desensitize a sufferer.

Many health care workers become so sensitized they can no longer work in the medical field. Others have disabilities that reach into their personal lives.

One such person is Dr. Lise Borel, who retired from her practice in 1994 after 10 years as a dentist in Westchester, Pennsylvania, and now only leaves her home occasionally.

Describing how weakened she had become from latex-induced asthma, she said: "I used to play three sets of tennis without breaking a sweat. Now I need oxygen to go to the grocery store."

New Pill Seems To Ward Off Flu

Human Tests to Begin Shortly

By Warren E. Leary
New York Times Service

WASHINGTON — A newly developed pill has been able to prevent or cure influenza infections in tests on animals, researchers say.

The scientists say that the compound, which interferes with the reproduction of the flu virus, will be ready to test in people in several months. If the drug proves safe and effective, they said, it may be possible in a few years for people to ward off flu each winter by taking a pill or two each day or to cut flu infections short.

A similar anti-flu drug licensed by Glaxo Wellcome, based in London, is already being tested on people, but that drug must be inhaled instead of being taken in pill form.

Dr. Choong Kim and Dr. Norbert Bischofberger, researchers with Gilead Sciences of Foster City, California, said at a news conference that their compound, called GS 4104, had been tested on five animal species and appeared to block infections by all major flu strains while producing no adverse effects.

"It's a big leap to jump from animals to humans, but we have every indication it will work in the same way," Dr. Bischofberger said.

The company has petitioned the Food and Drug Administration for permission to begin limited human trials to address drug dosage and safety issues. Those trials would be run before more extensive tests to see if the compound staves off flu in healthy volunteers.

In a paper appearing in the Jan. 29 issue of The Journal of the American Chemical Society, the Gilead researchers and colleagues at the Australian National University and the University of California at Berkeley describe how they developed a series of chemicals to inhibit the activity of neuraminidase, an enzyme on the surface of the flu virus.

Dr. Kim said that the flu virus infected cells in its host, reproduced inside these cells, then broke out to spread the infection to other cells. Neuraminidase on cell membranes lets the virus escape, he said, so inhibiting the enzyme blocks the virus and checks the infection.

GS 4104 is not the first neuraminidase inhibitor developed to attack flu, researchers said, but it is the first that can be taken orally. The drug primarily works on cells in the lungs, the primary infection site for the flu virus.

"This is a very promising approach, and its effectiveness has been proven in animal models at low doses and with few adverse effects," said Dr. Dominick Iacuzio, an expert on influenza and other viral diseases with the National Institute of Allergy and Infectious Diseases. "But developing drugs against flu is a long, tortuous road because the virus mutates so easily. It remains to be seen if the animal results can be translated into humans."

Dr. Bischofberger said that GS 4104 had been shown to deliver useful levels of the drug when given orally. Tests with rats and dogs with the equivalent of 10 times the expected human dose showed no adverse side effects, he said.

Rock-a-Bye Baby, Baby, Baby: Multiple Births Are on the Rise

By Marlene Cimons
Los Angeles Times

WASHINGTON — The number of women giving birth to three or more babies at one time has quadrupled during the last two decades, probably because of the increasing use of fertility drugs and delayed child-bearing, according to U.S. health officials.

The number of births involving triplets, quadruplets and quintuplets jumped to 4,594 in 1994, up from 1,005 such births 20 years earlier, according to a report released by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention.

The agency called the rise remarkable and noted that the increases were most pronounced among white, married, college-educated women 30 or older.

About one-third of the increase was attributable to the older age of women when their children were born, a factor that increases the chances of a woman producing two or more eggs at a time.

The remaining two-thirds was because of the growing use of ovulation-enhancing drugs and fertility techniques, like in vitro fertilization, that are "more commonly used by older white women of higher socioeconomic status," the report said.

Infants born in such multiple births often arrive early, are of low birthweight and carry greater health risks than single births, although their chances of survival have improved substantially in recent years, the study said.

The findings were based on examining all birth certificates registered in all 50 states and the District of Columbia.

The report did not examine the psychosocial effect of the births on the lives of parents, especially those who were first-time, older mothers, but experts said that this could be daunting.

"These often are women who think they are in control of their lives by the time they are ready to have a baby but didn't plan to have two or three — and with possible health consequences," said Victoria Jennings, an anthropologist who heads the Institute for Reproductive Health at Georgetown University in Washington. After a multiple birth, life "is considerably more difficult," she said. "The rules of addition and multiplication do not apply here. You're talking geometry."

During the last decade, increases in multiple births in the United States averaged 11 percent annually. Of the 4,594 multiple births in 1994, 4,233 produced triplets, 315 produced quadruplets, and in 46 births the mother had five or more babies.

The multiple birth ratio — the number of live births per 100,000 total live births — rose 214 percent between 1980 and 1994. The rise in the ratio among white mothers was 252 percent, compared with 52 percent for black mothers. White mothers accounted for 87 percent of all multiple births. In comparison, the rate of births of twins rose only 30 percent during this period, the report said.

BOOKS

DIXIE RISING: How the South is Shaping American Values, Politics, and Culture

By Peter Applebome. 385 pages. $25. Times Books.

IMAGINEERING ATLANTA: The Politics of Place in the City of Dreams

By Charles Rutheiser. Verso. 324 pages. $60; paperback, $19.

Reviewed by Edward L. Ayers

THESE two books tell apparently contradictory stories. One tells of the erasure of Southern culture by concrete, glass and steel while the other tells of the ascendancy of Southern music, politics and values. One book is about the "imagineering" of a bland and phony corporate landscape while the other is about the "rising" of the South. One is dark and pessimistic, the other rather hopeful.

The sad story is certainly true. Anyone who has stayed in Atlanta's convention-maximized downtown cannot but be struck by the deserted streets and fortress-like hotels. Charles Rutheiser, who lives in Atlanta, chronicles the process by which that city has been shaped by boosters, businessmen and their allies in the decades since the Civil War, and he does so with admirable research and suiting bitterness. He dwells on the damage to the poor, the hypocrisy with which progress has been promoted, the emptiness it has created.

Rutheiser, seeing the 1996 Olympics as the culmination of Atlanta's fabricated image, relates the background of that spectacle in great detail. With the Olympic preparations concluding as his book went to press, he worried that the transportation system, public services, and housing market would collapse under the weight of so many visitors. But, as it turned out, the Olympics vindicated Atlanta's boosters — at least in their own eyes. Though the city bulged and strained, Atlanta processed more people than any other city that has hosted the Olympics. The pneumatic buildings, instant trees, paved parks and carefully controlled television feed played to Atlanta's strengths.

But, as Rutheiser predicted, there was not much Atlanta in the Atlanta Olympics and almost no South at all. Anyone watching on television gained little sense of what the city, its state or its region might be like; those who visited learned little more about the place.

The Olympics testified to the truth of Charles Rutheiser's vision of a contemporary South torn from its foundations. Rutheiser works so hard at debunking, however, that he leaves out almost everything else. There are not many more people in this book than there are on Atlanta's streets after 6 P.M. Neither are there many surprises. To tell Atlantans that their city has been built of manufactured images is like telling Washingtonians that the government is a major employer.

Peter Applebome, a New York Times reporter based in Atlanta since 1976, takes us on a tour of the South far beyond the borders of that city's suburbs. The South, it turns out, is not disappearing, nor is it merely enduring.

Applebome delights in statistics that show the population of the former Confederate states growing at twice the national rate between 1970 and 1990 and the region now accounting for a third of the country's population. He emphasizes that many of the migrants to the South are black people, returning to the region their parents or grandparents had fled. He points out that over half of America's new jobs now appear in the South, that tourism is booming business, and that country music is now the most popular music in the nation. He reminds us that the Southern Baptist Convention is the largest Protestant denomination in the United States and that both houses of Congress and the presidency are controlled by men from Mississippi, Georgia, Arkansas and Tennessee. In all these ways, Dixie is rising.

Applebome, though, is too good a reporter to stop there. He pushes into the most forlorn corners of the South. People stare at Applebome from cinder block houses; they glance up from their work as they gut catfish by the thousands; they glare at him from ravaged storefronts. He gambles at the vacuous casinos of the Mississippi Delta and hangs out at the bars of Nashville.

Everywhere he goes, he sees evidence of the past lying close to the surface of Southern life. It is not that his Southerners live in the past, but that they have little choice but to live with the past, whether they acknowledge it or not.

As both of these books show, Southern identity these days is largely played out in popular culture, its contradictions on full display. Country music, sometimes profound, is often silly and maudlin; Christian belief and piety have often been reduced to shallow televangelism; the Civil War has become kitsch. Even the most valuable Southern virtues — civility and generosity — have been cheapened by television and movie portrayals of yokels who are kind only because they are too stupid to be otherwise.

Once these images have entered into mass culture it is almost impossible to get them back. Southerners, black and white, struggle against these deadening stereotypes just as they struggle against poverty and against one another. They find it hard to explain that the South is more than it appears on the evening news. Southerners of all descriptions should be grateful to Peter Applebome, one more Yankee transplant, for writing one of the best portrayals of the South in years.

Edward L. Ayers is co-editor of "The Oxford Book of the American South," to be published in March. He wrote this for The Washington Post.

Yet Another Heart Risk Factor?

By Jane E. Brody
New York Times Service

NEW YORK — Just when it may have seemed that all the important risk factors for heart disease had been identified, researchers are puzzling over what appears to be another one: a blood protein that, in some people at least, may indicate that their chances of suffering a heart attack are two or three times the normal rate. The protein appears to mark a particular risk for white men and women under 65.

The substance, lipoprotein(a), or Lp(a), is a form of low-density lipoprotein, the so-called bad cholesterol, that can be deposited on artery walls and eventually cause heart disease. But the exact role of Lp(a) in the development of heart disease is still unclear, and it is not yet certain for which people it might be a risk factor.

It is also not known what can or should be done to reduce elevated blood levels of Lp(a). However, the association between Lp(a) and heart disease may help to explain why heart attacks occur in some people who have otherwise low cholesterol levels and who have no other major coronary risk factors.

In the newest study, conducted among nearly 600 women 65 or younger in Sweden, those with the highest levels of Lp(a) were nearly three times as likely to experience a heart attack or the chest pains of angina as those with the lowest levels. The study, published in the current issue of Circulation, a journal of the American Heart Association, found an increased coronary risk associated with high blood levels of Lp(a) in women both before and after menopause.

In a study published in August in The Journal of the American Medical Association, Dr. Andrew Bostom of Tufts-New England Medical Center in Boston and his colleagues linked elevated Lp(a) levels to an increased risk of heart disease in men under age 55. In that study, more than 2,000 men participating in the Framingham Heart Study whose Lp(a) levels had been measured in the early 1970s were followed for an average of 15 years.

Unlike well-established coronary risk factors like blood pressure, cigarette smoking and cholesterol, Lp(a) is not simple to measure. It comes in various shapes and sizes, with a highly variable number of repeating chemical sequences that can skew test results, said Dr. Helen Hobbs, an Lp(a) expert at the University of Texas Southwestern Medical Center in Dallas.

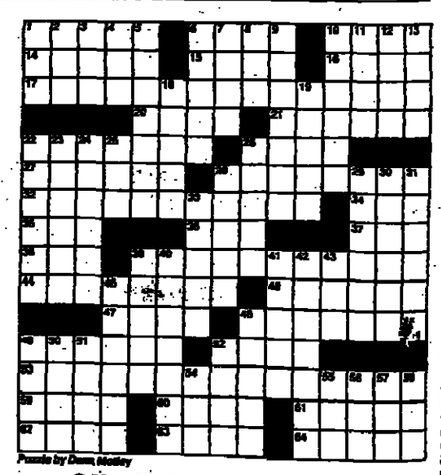
Lp(a) levels are nearly entirely determined by a person's genes. Diet, exercise and other habits appear to have no influence on Lp(a) levels in blood. About the only way known to reduce Lp(a) levels is with niacin, or nicotinic acid, an established cholesterol-lowering agent that can have unpleasant side effects, but even that does not work in all people.

How important might Lp(a) be in the grand scheme of things? Dr. Bostom has pointed out that smoking is a far greater risk factor, accounting for 55 percent of the cases of premature heart disease in the men in the Framingham study.

CROSSWORD

ACROSS
1 Post office unit
6 "Nuts!"
10 Post-larval insect
14 —— positive
15 Shem's eldest son
16 British P.M. —— Douglas-Home
17 Short Line
20 Timeline divisions
21 Old blues singer Ma ——
22 Carriage horse
26 Floor
27 Frozen food brand
28 "Decline of the West" author
32 Park Place
34 Neighbor of Tenn.
35 Preschooler
36 It needs to be cured
37 Every other hurricane
38 Percent suffix
39 St. James Place
44 Wrongheaded
46 Shaded fabric designs
47 Cosmetic additive
48 Passé in the extreme
49 Casual wear
52 Novelist Gould
53 Pennsylvania Avenue
59 "—— was in the beginning . . ."
60 Improvise
61 —— Cologne
62 Arrest of action
63 Swiss cheese holes
64 Stock market woe

DOWN
1 Unveil, in verse
2 Tea server
3 Land to which Cain fled
4 Lover's sound
5 Eastern aristocrat
6 Indemnity
7 Word for poor Yorick
8 Swab
9 More stylish
10 Downsizing
11 —— Bator
12 "—— Le Moko" (1937 movie)
13 Hurting
18 Spheres
19 Scrawny
22 Race track info
23 Small pit
24 Shaquille O'Neal, for one
28 Wedding party members, often
29 Foam
30 Italian wine
33 Pakistani city
30 Parisian pupils
31 Describing a numismatist's treasure
33 Picture on a $10,000 bill
39 Stave
40 Wearing
41 Away from the office
42 Collects
43 Oil measure: Abbr.
48 Theme of Ecclesiastes
48 Daytime fare
49 Ernst & Young staff
50 Throng
51 Pelvic bones
52 Club soda fillip
54 Low island
55 Square dance partner
56 "Mais ——!"
57 Contribute
58 "Malcolm X" director



Puzzle by Dean Medley

©New York Times/Edited by Will Shortz

Havry's
Est. 1911, Paris
"Sank Roo Doe Noo"
A Space for Thought.

Solution to Puzzle of Jan. 29

S	C	A	B		R	E	B	A		F	A	I	R	E
I	L	L	E		E	D	E	N		E	R	R	O	R
L	A	I	T		B	I	E	N		N	I	K	E	S
V	I	V	E	L	A	F	R	A	N	C	E			
A	M	E	N	I	T	Y			Y	E	S	M	A	N
		O	L	E		F	U	S	S		A	D	O	
A	T	R	I	A		P	U	G	S		B	R	A	T
C	H	E	R	C	H	E	Z	L	A	F	E	M	M	E
T	E	L	E		O	O	Z	Y		O	A	S	E	S
U	T	A		B	O	N	Y		G	N	U			
P	A	Y	S	U	P			D	I	D	G	O	O	D
		C	E	S	T	L	A	G	U	E	R	R	E	
S	P	O	O	N		B	O	Z	O		S	I	L	S
T	A	B	O	O		A	B	E	L		T	O	O	L
E	M	I	T	S		R	E	D	O		E	N	N	A

BRIDGE

By Alan Truscott

ITALY, which dominated the world bridge scene from 1957 to 1975, is again a power to be reckoned with. Lorenzo Lauria and Alfredo Versace, European Team Champions in 1995, zoomed to a convincing victory in the Macallan International Pairs Championship in London. The event was a Simple System contest, with complex methods barred.

The final standings were: Lauria and Versace, 620 victory points; Jens Auken and Lars Blakset of Denmark, 548; Bob Hamman and Bob Wolff of the United States, 532; Tony Forrester and Andy Robson of Britain, 529, and Omar Sharif and Christian Mari of France, 503.

NORTH
♠ A 10 7 5
♡ J 7 3 2
◇ 8
♣ K J 9 5

WEST
♠ K Q 9 8 6
♡ Q 10
◇ 9 7 6 3
♣ 4 2

EAST
♠ 4 3 2
♡ 8 6 5
◇ K Q 10 4
♣ 10 8 7

SOUTH (D)
♠ J
♡ A K 9 4
◇ A J 5 2
♣ A Q 6 3

Neither side was vulnerable. The bidding:

South	West	North	East
1 ♠	1 ♠	Dbl.	Pass
3 ♡	Pass	4 ♠	Pass
4 ◇	Pass	4 ♡	Pass
4 ♠	Pass	6 ♡	Pass
Pass	Pass		

West led the spade king.

The winners gained substantially on the diagramed deal when they bid and made a marginal slam. The double of one spade was negative, and the heart fit was located. A series of cue-bids carried the partnership to six hearts. West led the spade king.

Versace as South won with the ace and ruffed three diamond losers in the dummy, using two clubs and a heart as entries to his hand. He then reentered his hand with a spade ruff, reaching the position shown at right:

NORTH
♠ 10 7
♡ —
◇ —
♣ J 9

WEST
♠ Q 9 8
♡ Q
◇ —
♣ —

EAST
♠ 4
♡ 6 5
◇ —
♣ 10

SOUTH
♠ —
♡ K 9
◇ —
♣ 6 3

When the heart queen dropped under the king, an overtrick was made. But note that South might have survived against a bad trump split. If East had held three hearts but no spades in the ending, Versace would have entered dummy with a club lead, played a spade and scored his heart nine en passant.

Herald Tribune (International)
BUSINESS/FINANCE
THURSDAY, JANUARY 30, 1997

Ford Profit Surges 82% Despite Loss Outside U.S.

Compiled by Our Staff From Dispatches

DEARBORN, Michigan — Ford Motor Co. said Wednesday its profit rose 82 percent in the fourth quarter, beating most analysts' estimates, but it said mounting losses overseas limited the year's profit rise to 7 percent.

The second-biggest U.S. automaker said it was on track toward increasing profit in 1997, particularly in the European market, because of new products.

"We're starting 1997 in a much stronger competitive position," Ford's chief executive officer, Alex Trotman, said. "We have a tough business plan in place. We expect automotive earnings to improve in 1997, driven by a strong product lineup and companywide efforts to lower costs."

Mr. Trotman said the company also aimed to continue to increase the earnings of its financial-services group, calling the unit "one of our undervalued strengths."

After a charge and credit in the latest quarter, Ford said its net income was $1.2 billion, or 99 cents a share. In the year-earlier quarter, net income was $660 million, or 48 cents a share. Revenue rose 12.5 percent, to $38.8 billion.

The latest results were reduced by a charge of $336 million for the costs of an early retirement program offered to salaried employees.

For all of 1996, Ford earned $4.45 billion, up 7.4 percent from 1995.

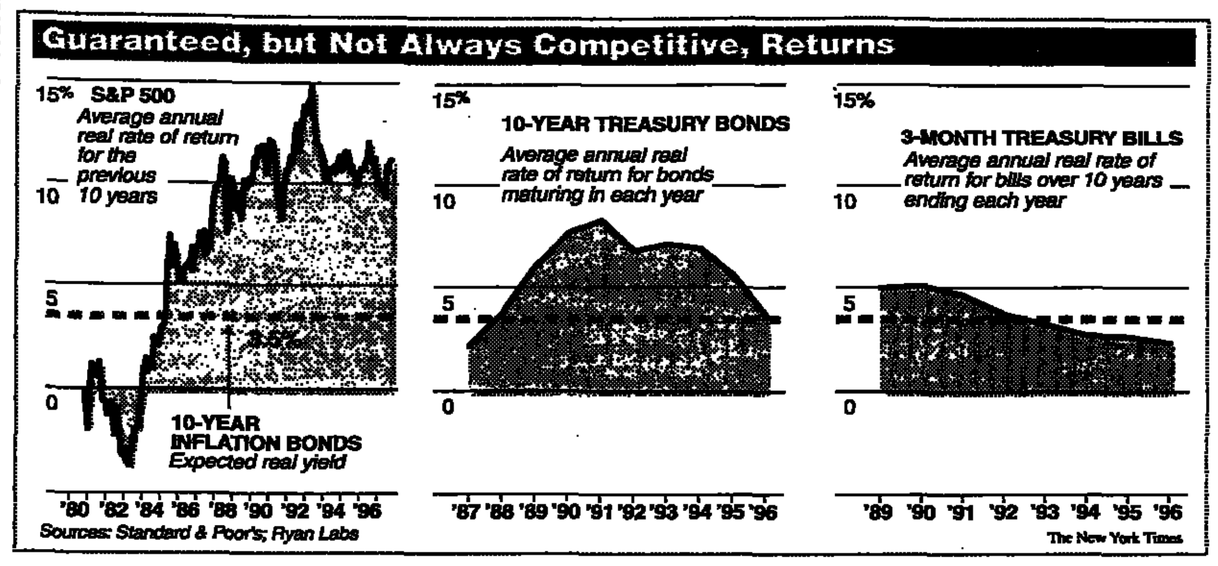
Ford was the last of the Big Three automakers to report 1996 results. Industry leader General Motors Corp. said its profit for the year fell 28 percent, but the No. 3 company, Chrysler Corp., posted its second-best year ever.

Internationally, Ford stumbled last year, posting a loss of $352 million compared with a $213 million profit in 1995. Losses were greatest in Europe and South America.

In Europe, the company is struggling with excess capacity, tough competition and a product line that favors low-profit cars, analysts said.

Ford closed down 12.5 cents at $32.375. *(AP, Bloomberg, AFX)*

Guaranteed, but Not Always Competitive, Returns



U.S. Sells Inflation-Protected Bonds

By Floyd Norris
New York Times Service

NEW YORK — The government that helped bring America rampant inflation 15 years ago, and that since then seems to have brought it under control, has a deal for you: It offered bonds Wednesday that provide protection against a general rise in prices. Buyers of the bonds will prosper if inflation returns, but not if it remains quiescent.

The Treasury will auction $7 billion in 10-year inflation-indexed bonds, creating what could eventually become a staple in the investment portfolios of millions of Americans. The bonds are likely to pay an interest rate of slightly above 3.5 percent. That may sound low compared with the 6.64 rate available on normal 10-year Treasury bonds, but it may prove to be quite good, because it is a "real" yield.

Inflation can eat away at the returns on normal Treasury bonds, but buyers who hold the new bonds until maturity will be guaranteed that roughly 3.5 percent return, above and beyond any inflation from now until 2007.

Just how good such an investment turns out to be depends on how vigorous inflation becomes. In the 1970s, such a bond would have outperformed almost any other financial investment. But in recent years such bonds would have provided relatively poor returns, compared with gains as high as 30 percent or more in some years on blue-chip stocks.

If inflation averages 3 percent a year for the next decade, about the current rate, an investor would do just about as well with these bonds as with normal 10-year bonds. If it is higher, the new inflation-adjusted bonds would perform better.

Still, for investors seeking to preserve wealth, the bonds offer a level of protection not available to most investors before Wednesday.

Indeed, one of academia's most prominent advocates of buying stocks, Jeremy J. Siegel, a finance professor at

See INFLATION, Page 15

Olivetti Nurses Wounds But the Losses Fester

Sale of PC Unit Might Augur Rebound

Compiled by Our Staff From Dispatches

MILAN — Olivetti SpA, an Italian office-equipment maker, said Wednesday it forecast a 1996 pretax loss of about 800 billion lire ($494.7 million), narrowed from a loss of 1.6 trillion lire in 1995. It cited slower sales and start-up costs at its cellular phone unit Omnitel-Pronto Italia SpA for the continuing loss in 1996.

Olivetti's shares have slid 11 percent in the past four days as analysts predicted that the company would post a larger loss than previously expected. They closed 1 lira lower at 651 in Milan on Wednesday.

The announcement underlines the company's inability to drag itself back into profitability after six straight years of losses, forcing Olivetti to ask shareholders for fresh capital three times in as many years. The recent sale of the company's personal computer unit, which had generated the bulk of its 4.7 trillion lire of losses in the past six years, is hoped by many to signal a turning point.

"After the 1996 accounts, there is no more bad news," said Luca Coloso, an analyst at Sella Asset Management.

Olivetti said full-year sales fell 16 percent to 8.27 trillion lire. The situation worsened in the second half of the year, when sales tumbled 21 percent.

"The decline in second-half sales was caused by a negative corporate image created by factors outside of the company," Olivetti said.

The loss, which was in line with analysts' expectations, occurred in spite of one-time gains of 531 billion lire, mainly from the sale of a minority stake in Omnitel, the personal computer division. Olivetti lost 440 billion lire in the first half of the year.

Analysts said they were encouraged by the company's success in reducing its debt, seeing it as a step toward repairing a much-damaged faith in management after years of unfulfilled promises to stem losses. Chief Executive Roberto Colaninno promised to reduce the company's debt through an asset sales program when he took over after a management shake-up late last year and has since sold off part of Omnitel and several other smaller assets.

Net financial debt fell to 2.25 trillion lire at the end of December from 3.0 trillion lire in August last year. After the sale of trades receivables in a securitization contract and deferred payments to suppliers, the company expected to declare a net debt of 1.73 trillion lire at the end of 1996.

"This figure is very good if you consider that the company was on the verge of collapse a year ago," said Annibale Sabatini, a Credito Italiano analyst. "The market may take this figure as a signal that the company is turning the corner."

Olivetti said its board would review in April the financial statements of the parent company but that "adjustments" would have no impact on consolidated results. *(Bloomberg, Reuters, AFP)*

U.S. Callback Services Face Tax in EU

Compiled by Our Staff From Dispatches

BRUSSELS — The European Union moved Wednesday to close a tax loophole that helps American companies make millions by offering Europeans cheap international phone calls.

Responding to requests from all 15 EU member nations, the European Commission proposed the imposition of a value-added tax on non-European phone companies to protect European operators that are being undercut by the cheaper overseas rivals.

But the decision by the commission, the EU's executive agency, allows national authorities to impose the taxes immediately pending approval of EU-wide legislation.

The commission said it hoped to level the playing field by applying such a tax

Customers of callback services can bypass local phone rates by dialing a number in the United States, which then calls the caller back, placing the customer on a lower U.S. rate.

The commission said it did not expect the levy to reduce significantly the market share of outside providers since the differences in the prices of the calls are much greater than the rate of the VAT, according to Alexander Wiedow, a commission official.

The tax will apply to all calls, including the cost of linking up to the Internet. But it will not apply to service providers, such as CompuServe, an online service provider, because their fees are already subject to the VAT. *(AP, Bloomberg)*

Deal on East German Debt

Reuters

BONN — Germany has reached a compromise on carving up and repaying billions of Deutsche marks of delinquent debt that had been piled up by municipal authorities in the former East Germany, the Social Democratic opposition said Wednesday.

The deal, reached in the parliamentary mediation process, would divide 8.4 billion DM ($5.12 billion) in debt equally between the federal government and Eastern states, the party's parliamentary manager, Peter Struck, said. He added that debt repayments would begin next year, avoiding an extra burden on the already strained state finances this year, when Bonn wants to qualify for European economic and monetary union in 1999.

Earlier, Chancellery Minister Friedrich Bohl said Bonn would take over the old debts of Berlin. Germany's new capital is nearly broke.

INTERNATIONAL MANAGER

One Big Mac, Hold the Fluctuations

By Keiko Kambara
Bloomberg News

TOKYO — Are McDonald burgers immune to exchange-rate fluctuations?

That's what people might have thought last month, when the dollar soared to a 44-month high against the yen — and McDonald's Co. (Japan) responded by starting a 22-day campaign of discounting hamburgers.

A weaker yen should make imports to Japan more expensive, pressuring companies like McDonald's that procure materials from overseas to raise prices. Instead, Japan's largest fast-food chain began selling plain hamburgers for 80 yen (67 cents) apiece, down 50 yen from its regular price. It followed that this month by offering discounts on Big Macs and other types of hamburgers.

The dollar soared Wednesday above 122 for the first time in nearly four years and McDonald's still has no plans to raise the price from 130 yen, which compares with the 210 yen or more that many other fast-food chains charge.

"We've developed a system that allows our prices to be shielded from exchange-rate fluctuations," said Kenji Kaniya, a spokesman for McDonald's (Japan). "If we depended on exchange-rate movements in setting prices, our prices would never stabilize."

Something less than magic is involved here. McDonald's ability to shrug off the weak yen, while many of its competitors are struggling, mainly underscores how larger companies can withstand exchange-rate shocks more easily than can smaller ones.

That's a key advantage in a competitive market like Japan's fast-food business, especially at a time when declining beef consumption makes raising prices a grim option.

For one thing, McDonald's international network enables it to find the cheapest sources available for its products.

It does this through a global purchasing system, which calls for worldwide joint merchandising of materials — beef patties, French fried potatoes, sesame seeds, even paper napkins — by branches of McDonald's Corp. of the United States, which owns 50 percent of McDonald's (Japan).

The U.S. headquarters has gone so far as to develop software, which, with a few hits on a computer keyboard, shows a list of the most inexpensive suppliers.

The idea behind global purchasing is that the more than 19,500 McDonald's shops in 101 countries can drive some hard bargains with suppliers if they buy materials in bulk instead of separately.

The other weapon McDonald's has against suppliers is its sheer expansiveness. McDonald's (Japan)'s restaurants, in particular, are multiplying throughout the country, adding further pressure on suppliers to keep prices down.

It opened more than 500 last year alone, bringing the total to more than 2,000, including the 323 added in 1995, the 137 in 1994 and the 89 in 1993. That means that in four years, the company more than doubled its number of outlets in Japan.

To reduce investment costs, many are so-called satellite shops, where managers, know-how and materials were provided by nearby parent shops, Mr. Kaniya said. They all moved in an "efficient cycle" to cut costs and raise sales, he added. That cycle, he said, began when the company distributed questionnaires to its customers and found that the ideal price of a burger was 130 yen.

One tactic both McDonald's and some of its competitors are using to protect themselves from the yen's weakening are forward contracts, which they have signed with banks to set in advance the value of dollars they will buy for yen.

McDonald's has agreed to buy dollars for 103 yen by the end of this year to pay for such ingredients as beef patties, which it mainly imports from Australia. The company has to first sell yen for U.S. dollars before converting the dollars into Australian dollars to buy the meat.

The drawbacks of the yen's recent weakness won't be immediately reflected in prices because of favorable forward contracts, said Kozo Yamamoto, a spokesman for Daiei Inc. Daiei's group includes Wenco Japan, which has a franchise contract with Wendy's International Inc. and runs Wendy's hamburger shops in Japan.

"The dollar's rise by 1 yen doesn't necessarily mean a rise in our hamburger price by 1 yen," Mr. Yamamoto said. Wendy's in Japan sells hamburgers for 210 yen.

CURRENCY & INTEREST RATES

Cross Rates

Jan. 29

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8465	2.9885	1.1232	0.3329	0.1142*	—	5.447*	1.2958	1.5144*	1.375	1.328*
Brussels	34.0825	55.80	20.6245	6.1175	2.0959*	18.3625	—	23.9125	0.2787	25.15	24.45*
Frankfurt	1.6486	2.662	—	0.2963	0.1015*	0.8904	4.8484*	1.1575	1.3405*	1.2255	1.181*
London (a)	1.6794	—	2.6615	8.9784	2616.73	2.9896	54.8312	2.3055	197.489	2.1749	225.0087
Madrid	130.879	224.873	84.605	25.073	8.588*	75.326	4.1029	97.754	113.862*	100.348	—
Milan	1,627.30	2,606.70	984.50	292.04	—	875.73	47.733	1,141.15	13.71	1,211.39	11.647
New York (b)	—	1.620	1.6443	5.545	1,615.00	1.8465	33.91	1.4265	122.175	1.3453	138.68
Paris	5.539	8.9685	3.3744	—	0.3425*	3.0043	0.1636	3.8958	4.5421*	4.1219	3.985*
Tokyo	121.53	195.68	73.49	21.92	0.75	65.53	3.5693	84.86	—	98.67	0.8726
Toronto	1.3403	2.181	0.819	0.2427	0.0835*	0.7292	0.3973*	0.9440	1.184*	—	0.9885*
Zurich	1.4351	2.3145	0.8676	0.2571	0.0884*	0.7724	4.206*	—	1.1487*	1.0592	1.0254*
1 ECU	1.1863	0.7326	1.9472	6.5786	1,918.31	2.1871	40.1545	1.6863	144.63	1.5941	164.746
1 SDR	1.3865	0.8614	2.291	N.Q.	2,246.97	2.5618	47.3538	1.9825	168.754	1.8653	192.972

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers: Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	256.98	Mex. peso	7.81	S. Afr. rand	4.561
Australian $	1.3011	Hong Kong $	7.7422	N. Zealand $	1.4516	S. Kor. won	859.40
Austrian sch.	11.518	Hung. forint	170.48	Norw. krone	6.5233	Swed. krona	7.2731
Brazil real	1.0446	Indian rupee	35.835	Phil. peso	26.34	Taiwan $	27.45
Chinese yuan	8.3244	Indo. rupiah	2372.25	Polish zloty	3.01	Thai baht	25.87
Czech koruna	28.02	Irish £	0.6273	Port. escudo	164.04	Turkish lira	115750.
Danish krone	6.344	Israeli shek.	3.3127	Russ ruble	5626.0	UAE dirham	3.6705
Egypt. pound	3.393	Kuw. dinar	0.3012	Saudi riyal	3.75	Venez. boliv.	475.25
Fin. markka	4.8829	Malay. ring.	2.4949	Sing. $	1.407		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6216	1.6207	1.6197	Japanese yen	121.30	120.77	120.25
Canadian dollar	1.3398	1.3375	1.3345	Swiss franc	1.4135	1.4095	1.4044
Deutsche mark	1.6349	1.6320	1.6282				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 29

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 1/2	3 1/16 - 3 3/16	1 9/16 - 1 3/4	6 1/16 - 6 1/8	3 1/4 - 3 3/8	7/16 - 1/2	4 - 4 1/8
3-month	5 7/16 - 5 9/16	3 1/16 - 3 3/16	1 5/8 - 1 3/4	6 1/8 - 6 1/4	3 1/4 - 3 3/8	7/16 - 9/16	4 1/8 - 4 3/16
6-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	1 11/16 - 1 13/16	6 3/16 - 6 5/16	3 1/4 - 3 13/32	7/16 - 9/16	4 1/8 - 4 1/4
1-year	5 11/16 - 5 13/16	3 1/16 - 3 3/16	1 7/8 - 2	6 7/16 - 6 1/4	3 1/4 - 3 3/8	1/2 - 5/8	4 1/8 - 4 1/4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/2	5 5/16
90-day CDs dealers	5.43	5.43
180-day CP dealers	5.32	5.33
3 month Treasury bill	5.04	5.06
1-year Treasury bill	5.28	5.33
2-year Treasury bill	6.02	6.09
5-year Treasury note	6.37	6.43
7-year Treasury note	6.48	6.53
10-year Treasury note	6.62	6.67
30-year Treasury bond	6.91	6.94
Merrill Lynch 30-day RA	4.91	4.92
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.43
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Govt bond	N.A.	2.43
Germany		
Lombard rate	4.50	4.50
Call money	3.13	3.12
1-month interbank	3.17	3.17
3-month interbank	3.15	3.15
6-month interbank	3.15	3.15
10-year Bund	5.82	5.78

Britain		
Bank base rate	6.00	6.00
Call money	6 1/16	5 15/16
1-month interbank	6 1/8	6 1/8
3-month interbank	6 1/4	6 1/4
6-month interbank	6 3/8	6 3/8
10-year Gilt	7.53	7.45
France		
Intervention rate	3.15	3.15
Call money	3 3/8	3 1/4
1-month interbank	3 1/4	3 5/16
3-month interbank	3 3/8	3 5/16
6-month interbank	3 1/4	3 5/16
10-year OAT	5.65	5.64

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	350.75	−2.25
London	350.15	351.10	−2.60
New York	356.20	353.20	−0.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Apr.)
Source: Reuters.

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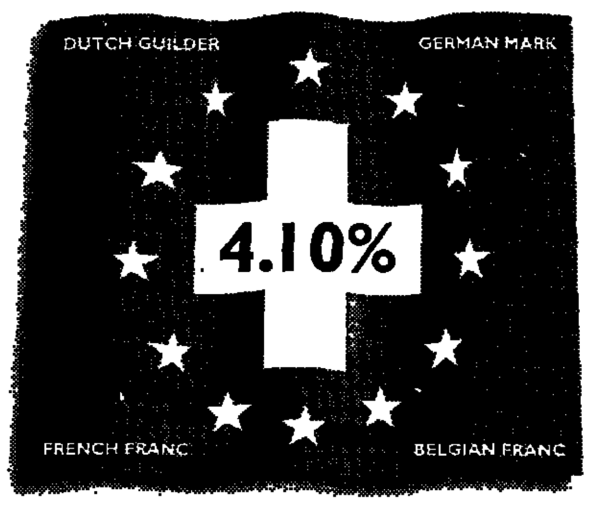

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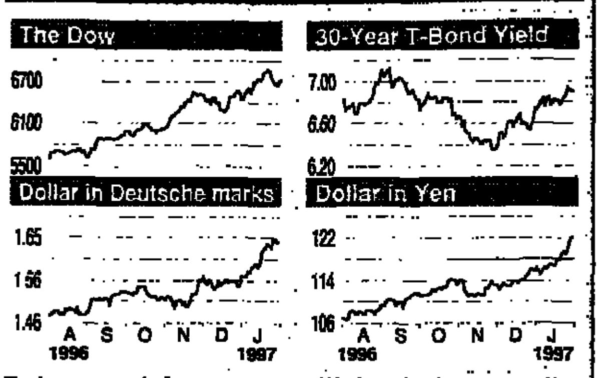


Exchange	Index	Wednesday Close	Prev. Close	% Change
NYSE	The Dow	6740.74	6656.08	+1.27
NYSE	S&P 500	772.50	765.02	+0.98
NYSE	S&P 100	758.40	748.68	+1.30
NYSE	Composite	406.09	402.86	+0.80
U.S.	Nasdaq Composite	1355.17	1351.25	+0.28
AMEX	Market Value	587.67	588.07	-0.07
Toronto	TSE Index	6071.28	6046.71	+0.41
São Paulo	Bovespa	77369.10	78497.90	-1.44
Mexico City	Bolsa	3631.82	3676.76	-1.23
Buenos Aires	Merval	676.89	666.30	+1.59
Santiago	IPSA General	5162.52	5158.21	+0.08
Caracas	Capital General	6317.54	6263.58	+0.86

Source: Bloomberg, Reuters — International Herald Tribune

Netscape Bets on 'Intranets'

Its Browser Lock Ebbing, 'the Pressure's On'

By Rajiv Chandrasekaran
Washington Post Service

The numbers that Netscape Communications Corp. reported Tuesday would make most software companies jump for joy: quarterly sales of $115 million, up 177 percent from a year earlier; net income of $8.8 million, up 1,600 percent.

So why have investors knocked the stock down by more than 35 percent this month?

Because as the company approaches its third birthday, many feel it has a murky future, no matter how rosy today's performance may seem to be.

Microsoft Corp. is breaking Netscape's lock on the market for "browser" software that people use to explore the World Wide Web. And it is not yet clear that Netscape can execute a key part of its strategy, focusing on "intranets," the internal corporate networks that are based on Internet technical standards and allow people to share documents and messages.

Many analysts say Netscape's ability to capture a sizable piece of the intranet market will be central to determining whether it remains a dominant player in Silicon Valley or one of many has-beens in the boom-and-bust landscape.

"This is a very important time for us," said Peter Currie, Netscape's chief financial officer. "The pressure's on."

Netscape was one of Wall Street's hottest performers in its early days. Its stock went on sale at $28 a share in August 1995, at the height of public expectations of billion-dollar businesses in the Internet. It climbed to the mid-80s by December, but since then has cooled off as competition has emerged and as the Internet has been slower than expected to generate money-making businesses.

On Wednesday it dropped $1.125 to close at $36.875.

The earnings figures released Tuesday were for Netscape's October-December quarter. The company also reported that for the year, its sales totaled $346 million, up from $85.4 million in 1995. Net income was $20.9 million (24 cents a share), compared with a net loss of $6.6 million in 1995.

"The cat's out of the bag," said Marc Usem of Salomon Brothers Inc. "It's not just Netscape that understands the Internet any more. Going forward, we're not going to see the kind of heady growth we've seen from them in the past."

Many analysts, and Netscape too, say the company needs to focus on the corporate network. "At the moment, the low-hanging fruit is in the intranet market," said Daniel Rimer of Hambrecht & Quist in San Francisco. "That's where Netscape really needs to be."

Netscape has introduced a "preview version" of a desktop product called Communicator, geared for corporate customers. It is a combination Web browser and E-mail program that lets intranet users share documents, comment on internal message boards and maintain joint on-line calendars.

But while scores of businesses are interested in such products, Netscape is just entering this market. By contrast, Microsoft's Exchange software, which was released last year, has about 2.5 million users. Lotus Notes, on the market for four years, has more than 9.5 million users.

Profit Outlook Gives Wall Street a Boost

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rallied Wednesday as interest rates stabilized and investors seized on shares of companies they expect will report strong earnings growth this year.

"We're continuing to see money go toward those companies that can have good earnings returns over the next two or three years," said Jack Sullivan, a principal at Harris Bretall Sullivan & Smith LLC in San Francisco. "By good returns we mean earnings growth of 15 to 20 percent."

The Dow Jones industrial average gained 84.66 points to 6,740.74, helped by a 60-point surge in the last hour of trading. Advancing issues outpaced decliners by an 11-to 10 ratio on the New York Stock Exchange.

In the broader market, the benchmark Standard & Poor's 500-stock index rose 7.48 to 772.50. The Nasdaq composite index gained a less robust 0.80 to 1,355.17.

"A lot of companies have demonstrated they still have earnings potential with modest sales gains," said Douglas Myers, a trader at Interstate/Johnson Lane. "That bodes well for the bottom line and for the stock market."

Rising most in the 30-stock average for a second day was International Business Machines, which approved a stock split for the first time since 1979. The move was viewed as boosting individual investors' appetite for shares in the world's largest computer maker. IBM rose 5⅜ to 156⅜.

Bonds were slightly higher after a report showing that orders to U.S. factories for large durable goods — a key gauge of the manufacturing sector — unexpectedly fell 1.7 percent in December.

The decline contrasted with other recent data suggesting economic growth accelerated at year-end, threatening to squeeze inflationary pressures such as rising wages. The latest inflation reports, however, have revealed no significant jump in most prices, spurring optimism that next week's strategy meeting at the Federal Reserve Board will not produce an interest rate increase aimed at slowing things down.

The benchmark 30-year Treasury bond rose 5/32 to 94 28/32, pushing the yield down to 6.91 percent from 6.92 percent.

Investors favored shares of many stable growing, large companies. Exxon rose 2¾ to 103¼, Intel rose

U.S. STOCKS

3¾ to 154¾, and drugmaker Bristol-Myers Squibb rose 3½ to 123½.

Du Pont rose 2⅞ to 107⅞ after the chemical maker and oil marketer said earnings jumped 21 percent to $1.52 a share, 3 cents short of estimates.

Quantum leaped 3¼ to 36⅜ after the disk-drive manufacturer said it earned 85 cents a share, reversing a loss a year earlier.

General Motors rose ¼ to 61 after workers at GM's truck assembly plant in Ohio returned to the job after reaching a tentative contract agreement that ended a strike.

Workers will vote on the contract Thursday and Friday.

Brinker International, the most active NYSE issue, dropped 4¼ to 11. Numerous investment firms downgraded the stock after a disappointing profit report Tuesday from the Dallas-based restaurant concern.

360 Communications plunged 3 to 19 after the wireless communications firm warned its fourth-quarter profit was depressed.

Sherwin-Williams rose 1⅛ to 55⅜ after it said its board declared a 2-for-1 stock split, and it raised its quarterly cash dividend. *(Bloomberg, AP, Market News)*

AOL Offers to Reimburse Clients

Compiled by Our Staff From Dispatches

WASHINGTON — America Online Inc. said Wednesday it would reimburse customers in cash, or free on-line time, and limit membership at 8 million to address the subscriber complaints dogging the No. 1 on-line service.

AOL also expects to sign an agreement Thursday with 36 states over problems that have prevented customers from using AOL because of the large number of states involved, the deal affects AOL's 8 million customers nationwide.

Among the terms of the agreement, AOL will refund as much as $39.90 a customer, halt new advertising and expand the ways users can cancel the service, including allowing them to quit on-line or by fax or letters.

Subscribers have faced busy signals and delays since Dec. 1, when AOL unveiled a flat-rate price of $19.95 a month.

AOL shares closed $2 higher Wednesday at $37.25.

"This is less a legal matter or financial matter for us than it is responding to customers," said AOL's chief executive officer, Steve Case.

State officials had threatened to sue the company for deceptive business practices. *(AP, Bloomberg)*

Very briefly:

Philip Morris Profit Rises 16%

NEW YORK (Bloomberg) — Philip Morris Cos. said Wednesday its fourth-quarter earnings rose 16 percent on strong demand for its cigarettes, especially outside the United States.

The maker of Marlboro cigarettes said net income rose to $1.47 billion from $1.27 billion a year earlier.

The results were lifted by a 17 percent increase in international tobacco profit. Philip Morris, already the world's largest cigarette maker, should be able to keep up that pace as it spends heavily to increase its share of overseas markets, analysts said. Revenue from continuing operations rose 7.3 percent, to $16.7 billion from $15.6 billion. Operating profit from international tobacco sales rose 17 percent, to $853 million.

Philip Morris shares closed up $2 at $116.375.

- **Wang Laboratories Inc.** announced an agreement to sell its software unit to **Eastman Kodak Co.** for $269 million. The company also said its earnings fell 35 percent, to $4.5 million, in the fourth quarter.
- **Bethlehem Steel Corp.**'s fourth-quarter profit from operations fell 27 percent, to $23.5 million, and a $370 million charge to sell or close four unprofitable units led to a loss of $346.5 million.
- **AT&T Corp.**, the biggest U.S. long-distance company, is raising rates for certain collect phone calls by 10 percent, the second increase for these services in less than a year.
- **Hilton Hotels Corp.** is weighing a bank loan or bond sale to raise about $3 billion for its $10.5 billion bid for ITT Corp.
- **Haarmann & Reimer Corp.**, an American subsidiary of Bayer AG, agreed to pay a $50 million fine and plead guilty to a U.S. charge that the company had joined a conspiracy to fix worldwide prices for the food additive citric acid.
- **Sunbeam Corp.** reported a fourth-quarter loss of $234.7 million and said it had completed the cost-cutting part of its restructuring plan. *Bloomberg, AP*

DOLLAR: *Will the Group of Seven Meeting in Berlin Signal an End to the U.S. Currency's Rally?*

Continued from Page 1

Fears that the G-7 may come out strongly for a halt in the dollar's rise over the yen and over most European currencies have damped traders' willingness to take the risk of pushing the dollar higher still.

As recently as late last year, European officials were still urging the dollar on. Two months ago, Prime Minister Alain Juppe of France accused U.S. companies of deriving unfair benefits from an undervalued dollar. Meanwhile, the U.S. Treasury secretary, Robert Rubin, has yet to depart from his script of recent months heartily embracing "a strong dollar."

In Europe, economists say few governments have any quarrel with the dollar's rise beyond perhaps having some concern with the accelerating speed of the move.

"The Europeans are all worried about growth and unemployment," said Herman Theiler, an analyst at

FOREIGN EXCHANGE

Union Bank of Switzerland in Zurich, pointing out that weaker Continental currencies provide a major shot in the arm for the region's exporters. "In Germany's case I think they could still use more Deutsche mark weakness."

Because the U.S. currency is underpinned by an economy that is clearly outperforming its peers and by the prospect of that faster growth finally forcing up U.S. interest rates — and returns on assets held in the American currency — analysts say it will probably be hard to do anything but buy dollars.

■ Dollar Rises Against Yen

The dollar closed lower against major European currencies but higher against the yen after the Bundesbank president's comments, news agencies reported from New York.

The dollar closed at 122.175 yen, up from 121.025 yen, in New York, but fell to 5.5450 French francs from 5.5570 francs and to 1.4265 Swiss francs from 1.4280 francs. The pound closed at $1.6200, up from $1.6170. Mr. Tietmeyer's statements hurt enthusiasm for the dollar. "The market was somewhat surprised to hear that Germany finally found a voice," an analyst said. *(Bloomberg, Market News)*

AMEX

Wednesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6673.39	6740.74	6656.08	6740.74	+84.66
Trans	2307.43	2326.56	2300.67	2318.86	+17.26
Util	234.63	234.98	232.11	232.67	—2.03
Comp	2083.72	2097.32	2079.06	2097.32	+18.26

Standard & Poors

	High	Low	Close	Chg.
Industrials	907.01	898.17	906.91	+8.74
Transp.	561.23	554.26	559.46	+5.13
Utilities	200.45	198.47	199.19	—0.79
Finance	86.32	85.14	86.28	+1.14
SP 500	772.70	765.02	772.50	+7.48
SP 100	758.40	748.68	758.40	+9.72

NYSE

	High	Low	Last	Chg.
Composite	406.14	402.86	406.09	+3.23
Industrials	511.69	507.09	511.48	+4.39
Transp.	365.42	361.88	364.45	+2.36
Utility	264.29	262.99	263.75	+0.29
Finance	367.85	364.76	367.73	+2.97

Nasdaq

	High	Low	3PM	Chg.
Composite	1359.56	1350.02	1350.02	—4.35
Industrials	1149.20	1142.57	1142.57	—4.83
Banks	1328.47	1325.06	1326.50	+0.49
Insurance	1443.01	1438.32	1440.02	—5.16
Finance	1664.97	1661.98	1663.24	+8.76
Transp.	882.44	878.74	878.74	—5.33

AMEX

High	Low	Last	Chg.
588.47	586.67	587.67	—0.40

Dow Jones Bond

	Close	Chg.
20 Bonds	103.22	—0.16
10 Utilities	100.33	—0.30
10 Industrials	106.11	—0.03

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Brinker	105347	11¼	10⅝	11	—4¼
360 Comm	58328	20⅝	19	19	—3
PepsiCo s	56265	34⅝	34⅛	34⅝	—⅛
PECO	54709	23¼	22⅝	23	+⅛
CmpUSA s	50152	18¼	17⅝	18⅛	+⅜
RJR pfC	46806	6⅝	6½	6⅝	+⅛
IBM	46631	156¾	152⅞	156⅜	+5⅜
ITT Corp	45920	58¼	56¼	57⅜	+1⅛
Unicom	45862	26¼	23½	23⅝	—2⅛
TenetHlt	41855	25⅛	24⅝	25⅛	+½
KilroyR n	40230	25⅛	24⅝	25⅛	
CocaCl s	38251	56½	55⅝	56⅛	+⅜
FordM	37295	32⅝	32	32⅛	—⅛
EMC	36990	37⅛	36⅜	36⅞	+2⅛
Iomega s	36710	19½	18⅝	18½	—⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Cisco s	158387	69⅝	65⅞	66	—2⅝
Quantum	110885	36½	35	36⅜	+3¼
Oracle s	94473	38⅜	37⅛	37¾	+⅛
Callgene	92637	7½	7	7⅝	[illegible]
Intel	92364	154⅜	151½	154¾	+3⅝
3Com	79720	63⅝	61⅝	62⅝	+1½
Netscape	61382	40	36	36⅞	—1⅛
Microsft s	60397	97⅜	95⅝	97¼	+1⅜
CascCm s	52612	39⅛	38	38⅛	
MelTech	46511	[illegible]	[illegible]	[illegible]	
DellCpt s	46239	66⅛	63½	65⅞	+1⅛
US Robt s	42117	70⅝	66	68⅛	—½
Altera s	38333	42⅛	39⅝	40⅛	—1¼
ReadRt	38272	31⅛	28⅛	30	+¼
WorldCm s	37801	25⅝	25	25⅛	—⅛

AMEX

	Vol.	High	Low	Last	Chg.
Hon wtB	13720	1/32		1/32	
SPDR	10144	77⅛	76[illegible]	77[illegible]	[illegible]
Nabors	7437	19	18⅝	18⅝	—⅜
ViacB	7001	34⅝	34	34⅛	—⅛
EchoBay	6197	6⅝	6⅛	6⅝	+⅜
Amdhl	5704	11⅛	10⅞	11⅛	—¼
MAI Sys	5119	7	6⅞	6⅞	—⅛
ThrFibr rt	5059	3⅛	3	3⅛	—⅛
Hearx n	4231	2⅛	2⅛	2⅛	—⅛
Hasbro	4210	39⅝	39	39½	

Trading Activity

NYSE

	Noon	Prev.
Advanced	1156	1422
Declined	1095	1052
Unchanged	898	848
Total issues	3149	3322
New Highs	41	94
New Lows	17	19

Nasdaq

	Close	Prev.
Advanced	1989	2160
Declined	1982	1872
Unchanged	1758	1696
Total issues	5729	5728
New Highs	157	175
New Lows	56	69

AMEX

	Close	Prev.
Advanced	284	310
Declined	231	230
Unchanged	196	196
Total issues	711	736
New Highs	16	15
New Lows	3	6

Market Sales

	Today Close	Prev. cons.
NYSE	496.35	657.79
Amex	17.68	28.36
Nasdaq	556.31	658.96

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Bear Stms adjptA	-	.6875	3-31	4-15
FreeState ConGld	b	.455	2-7	3-31
Tomkins ADR	b	.2553	2-4	4-21
VaalReef ExpADR	b	.213	2-7	3-31
West Deep Levels	b	.78	2-7	3-31
STOCK SPLIT				
Aspen Tech 2 for 1 split.				
Ballantyne Omaha 3 for 2 split.				
Brightpoint Inc 5 for 4 split.				
Fst GA Hldg 3 for 2 split.				
Parexel Intl 2 for 1 split.				
Serologicals 3 for 2 split.				
Sherwin Williams 2 for 1 split.				
State FnclSvcs A 6 for 5 split.				
STOCK				
Bear Stearns	-	5%	2-14	2-28
Republic Group	-	10%	2-28	3-14
Stifel Financial	-	5%	2-4	2-18
TrustMaster	-	3%	2-14	—
INCREASED				
Amer HlthPptys	Q	.525	2-10	2-24
Banknorth Group	Q	.29	2-21	3-7
CU Bancorp	Q	.07	2-14	3-3
Cooker Restaurant		.07	2-10	2-24
Fahnestock Viner	Q	.06	2-10	2-21
McGraw-Hill	Q	.36	2-26	3-12
Meridian Diagnost	Q	.045	2-3	2-11
Peoples Bcsrs MA	Q	.09	2-28	3-14
Rollins Inc	Q	.15	2-10	3-10
Sherwin Williams	Q	.20	3-3	3-17
TF Financial	Q	.10	1-31	2-14
Utd Financial	Q	.235	2-10	2-24
Warner Lambert	Q	.38	2-7	3-10
West Coast Bp FL	Q	.127	2-7	2-17
SPECIAL				
Capitol Transamer	-	.10	2-14	2-28
RESUMED				
EDO Corp	-	.025	3-4	3-31
INITIAL				
Amtrust Capital	-	.05	2-3	2-17
Bk of SanClaraCA	-	.25	2-7	2-21
Cherokee Inc	-	.15	2-25	3-17
Ikon OfficeSolut	-	.04	2-24	3-10
SIS Bancorp	-	.12	2-3	2-20
State Fncl SvcsA n	-	.12	3-24	4-7
Westwd Homestd	-	.07	2-12	2-28
REGULAR				
Atlantic Richfield	Q	1.375	2-14	3-14
Exxon Corp	Q	.79	2-10	3-10

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Jan. 29, 1997

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	277	274	275	+ ¼	120,694
May 97	275½	271½	273	+ ¼	68,609
Jul 97	273½	270	271½	+1	63,990
Sep 97	267½	266	266	— ¾	8,998
Dec 97	268¾	267	267	—1¼	44,341
Est. sales N.A. Tue's. sales 64,271					
Tue's open int 312,157 up 320					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	241.10	236.00	240.50	+3.60	38,213
May 97	236.50	232.60	235.93	+2.80	27,336
Jul 97	234.90	231.70	234.20	+2.10	18,972
Aug 97	231.70	229.00	231.00	+1.50	3,229
Sep 97	226.00	224.80	225.50	+1.30	2,565
Oct 97	216.50	214.80	215.50	+2.50	1,055
Est. sales N.A. Tue's. sales 10,707					
Tue's open int 87,956 off 884					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Mar 97	24.20	24.01	24.12	—0.04	46,293
May 97	24.57	24.40	24.43	—0.11	19,559
Jul 97	24.92	24.77	24.81	—0.09	15,794
Aug 97	25.05	24.92	25.05	+0.03	3,114
Sep 97	25.19	25.12	25.19	+0.08	2,491
Oct 97			25.30		747
Est. sales N.A. Tue's. sales 16,628					
Tue's open int 91,892 up 597					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	753½	742¼	750½	+6	75,743
May 97	752½	743	749¼	+3¼	37,610
Jul 97	752½	745	749½	+2¾	33,222
Aug 97	748	741½	743	+ ½	5,009
Sep 97	717	713	714½	+1¾	1,595
Est. sales N.A. Tue's. sales 47,082					
Tue's open int 168,956 up 12					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	375½	370	370½	—2½	26,623
May 97	361	356½	357	—2	10,367
Jul 97	349	345½	346	—1¼	24,380
Sep 97	351½	348	349½	— ½	1,553
Est. sales N.A. Tue's. sales 10,437					
Tue's open int 64,630 up 70					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	64.37	63.87	63.97	—0.60	19,605
Apr 97	66.35	65.60	65.90	—0.72	39,407
Jun 97	64.40	64.05	64.27	—0.10	13,809
Aug 97	64.25	63.90	64.15		16,000
Oct 97	67.57	67.18	67.47	+0.15	8,710
Dec 97	69.87	69.52	69.82	—0.02	3,547
Est. sales N.A. Tue's. sales 23,728					
Tue's open int 102,594 up 1523					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	69.40	69.20	69.22	—0.07	1,088
Mar 97	69.40	68.90	69.08	—0.42	7,780
Apr 97	69.55	69.15	69.37	—0.27	2,946
May 97	70.35	69.95	70.20	—0.12	4,224
Aug 97	74.40	73.95	74.17	—0.40	3,721
Sep 97	75.05	74.50	74.80	—0.35	928
Est. sales N.A. Tue's. sales 4,181					
Tue's open int 22,413 up 610					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	76.02	75.15	75.35	—0.92	8,707
Apr 97	76.15	75.15	75.52	—0.82	12,790
Jun 97	80.35	79.55	79.97	—0.55	7,332
Jul 97	78.30	77.80	78.27	—0.27	1,468
Aug 97	74.65	74.00	74.47	—0.25	1,483
Oct 97	67.85	67.37	67.72	—0.05	1,356
Est. sales N.A. Tue's. sales 8,987					
Tue's open int 34,782 up 1285					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	79.45	78.05	78.40	—1.77	3,178
Mar 97	79.65	78.00	78.10	—1.97	1,589
May 97	80.60	78.90	78.90	—1.65	2,322
Jul 97	79.35	77.80	78.45	—1.47	648
Aug 97	76.25	74.92	74.92	—1.62	432
Est. sales N.A. Tue's. sales 3,200					
Tue's open int 8,169 off 19					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1314	1303	1306	—8	22,699
May 97	1343	1333	1334	—14	23,078
Jul 97	1370	1359	1363	—10	13,267
Sep 97	1394	1385	1387	—11	9,055
Dec 97	1415	1407	1411	—12	3,559
Est. sales N.A. Tue's. sales 5,355					
Tue's open int 89,821 off 38					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	147.80	142.85	144.60	+5.10	23,312
May 97	141.50	138.00	138.90	+4.20	9,849
Jul 97	137.20	134.50	135.30	+4.10	4,554
Sep 97	132.50	130.00	131.00	+4.50	2,771
Est. sales N.A. Tue's. sales 9,075					
Tue's open int 42,957 off 371					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.46	10.23	10.33	—0.08	64,737
May 97	10.47	10.30	10.38	—0.05	38,635
Jul 97	10.42	10.30	10.34	—0.06	27,141
Oct 97	10.44	10.35	10.37	—0.07	17,474
Est. sales N.A. Tue's. sales 12,828					
Tue's open int 154,168 off 3765					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	92.90	88.10	88.45	—5.30	16,135
May 97	95.57	91.00	91.25	—4.25	6,795
Jul 97	97.50	93.80	94.20	—4.35	2,321
Sep 97	100.00	97.00	97.30	—3.40	1,814
Est. sales N.A. Tue's. sales					
Tue's open int					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 97			353.90		5
Feb 97	354.20	351.00	351.80	—2.20	37,358
Mar 97			354.80		68
Apr 97	356.20	352.70	353.10	—2.60	64,309
Jun 97	356.80	355.00	355.50	—2.50	22,599
Aug 97	358.30	358.00	358.30	—2.10	8,385
Oct 97	361.50	360.50	361.50	—1.40	3,779
Dec 97	363.50	362.40	363.50	—1.90	16,455
Est. sales N.A. Tue's. sales 60,208					
Tue's open int 189,160 off 2095					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jan 97	111.10	108.00	108.40	—2.70	1,996
Feb 97	107.65	103.20	103.70	—3.95	2,994
Mar 97	106.10	101.70	102.50	—3.65	25,264
Apr 97	102.20	100.80	101.10	—3.15	1,222
May 97	101.60	99.00	100.00	—2.90	6,460
Jun 97	100.50	99.45	99.45	—2.80	749
Jul 97	100.50	98.40	98.60	—2.70	4,504
Aug 97	100.00	97.95	97.95	—2.60	608
Sep 97	99.00	97.25	97.40	—2.50	2,645
Est. sales N.A. Tue's. sales 7,567					
Tue's open int 55,345 up 666					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 97			492.00	—2.30	1
Feb 97			492.00	—2.40	2
Mar 97	496.50	489.50	494.00	—2.30	57,600
May 97	501.50	494.00	498.60	—2.30	11,506
Jul 97	506.00	499.00	503.20	—2.30	8,887
Sep 97	510.00	504.50	507.90	—2.30	2,976
Dec 97	515.10	510.00	515.10	—2.30	4,684
Jan 98			520.20		9
Est. sales N.A. Tue's. sales 22,827					
Tue's open int 89,571 off 241692					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	361.00	358.80	358.70	—1.80	20,149
Jul 97	362.50	360.50	362.50	—0.30	3,224
Oct 97	364.00	364.00	364.00	—1.10	2,865
Jan 98			371.20		1,880
Est. sales N.A. Tue's. sales 2,670					
Tue's open int 26,727 up 473					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1580½	1581½	1604.00	1605.00
Forward	1606.00	1607.00	1629.00	1630.00
Copper Cathodes (High Grade)				
Spot	2455.00	2460.00	2573.00	2578.00
Forward	2191.00	2192.00	2241.00	2242.00
Lead				
Spot	654.00	655.00	665½	667½
Forward	667.00	668.00	676.00	678.00
Nickel				
Spot	7050.00	7055.00	7155.00	7165.00
Forward	7154.00	7155.00	7260.00	7265.00
Tin				
Spot	5740.00	5745.00	5815.00	5820.00
Forward	5800.00	5805.00	5875.00	5876.00
Zinc (Special High Grade)				
Spot	1098½	1099½	1108.00	1109.00
Forward	1121½	1122.00	1129½	1130.00

	High	Low	Close	Chge	Opint
Financial					
UST. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.95	94.91	94.92		4,625
Jun 97	94.79	94.75	94.78	+0.01	3,229
Sep 97	94.59	94.56	94.57	+0.02	727
Est. sales N.A. Tue's. sales 847					
Tue's open int 8,581					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 97	106-08	105-46	106-07	+ 06	187,854
Jun 97	105-47	105-36	105-47	+ 05	18,107
Sep 97	105-31	105-31	105-31	+ 05	
Est. sales 68,000 Tue's. sales 59,035					
Tue's open int 191,961 up 1740					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	108-07	107-18	108-02	+ 05	327,886
Jun 97	107-17	107-00	107-16	+ 05	20,811
Sep 97	107-00	107-00	107-00	+ 05	663
Est. sales 180,000 Tue's. sales 97,225					
Tue's open int 349,360 up 4355					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	110-19	109-14	110-08	+ 06	483,379
Jun 97	110-02	108-30	109-24	+ 06	31,454
Sep 97	109-10	108-18	109-10	+ 06	5,885
Dec 97	108-28	108-28	108-28	+ 06	4,445
Est. sales 538,000 Tue's. sales 488,620					
Tue's open int 525,221 up 1574					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	101.25	100.83	101.03	— 0.26	230,472
Jun97	100.30	100.06	100.14	— 0.35	7,795
Est. sales: 211,647. Prev. sales: 294,614					
Prev. open int.: 238,267 up 8,549					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	110-18	109-25	109-31	— 0-22	175,622
Jun97	N.T.	N.T.	109-14	— 0-22	551
Est. sales: 78,427. Prev. sales: 102,170					
Prev. open int.: 176,173 up 10,036					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	130.46	130.00	130.24	— 0.28	121,876
Jun 97	128.98	128.78	128.92	— 0.26	15,177
Sep 97	127.30	127.30	127.24	— 0.26	784
Dec 97	N.T.	N.T.	96.60	— 0.26	Unch.
Est. volume: 144,740. Open int.: 137,837 off 1,123.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	131.78	130.41	130.82	— 1.05	115,755
Jun97	130.90	130.17	130.29	— 1.02	9,469
Sep97	130.50	130.40	130.33	— 1.04	400
Est. sales: 91,105. Prev. sales: 63,732					
Prev. open int.: 125,824 up 5,481					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Mar 00	93.19	93.11	93.17	+0.01	39,610
Jun 00	93.13	93.05	93.11	+0.01	34,828
Sep 00	93.08	93.00	93.06	+0.01	30,509
Dec 00	93.00	92.92	92.97		24,848
Mar 01	92.99	92.92	92.97		25,459
Jun 01	92.94	92.88	92.92		28,359
Sep 01	92.90	92.83	92.88		12,199
Dec 01	92.82	92.76	92.80		9,573
Est. sales 464,986 Tue's. sales 617,570					
Tue's open int 2,269,338 up 36586					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6270	1.6164	1.6194		33,326
Jun 97	1.6240	1.6130	1.6168		2,369
Sep 97			1.6132		1,038
Dec 97			1.6096		7
Est. sales 10,983 Tue's. sales 15,299					
Tue's open int 36,740 off 191					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7475	.7449	.7450		42,176
Jun 97	.7517	.7493	.7494		8,310
Sep 97			.7533		3,508
Dec 97	.7585	.7570	.7570		447
Est. sales 5,553 Tue's. sales 6,986					
Tue's open int 54,495 up 821					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.6135	.6098	.6109		85,778
Jun 97	.6171	.6136	.6147		5,122
Sep 97	.6200	.6184	.6187		2,256
Dec 97			.6228		18
Est. sales 26,196 Tue's. sales 27,128					
Tue's open int 93,174 up 811					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.8287	.8240	.8250		72,338
Jun 97	.8390	.8353	.8359		2,997
Sep 97	.8490	.8471	.8471		476
Est. sales 27,514 Tue's. sales 29,875					
Tue's open int 75,822 up 1238					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7107	.7035	.7053		49,236
Jun 97	.7165	.7105	.7119		2,553
Sep 97	.7226	.7185	.7188		1,917
Est. sales 20,452 Tue's. sales 19,523					
Tue's open int 53,727 up 64					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Feb97	96.86	96.85	96.87	Unch.	3,567
Mar97	96.88	96.85	96.87	— 0.01	204,461
Apr97	N.T.	N.T.	96.87	— 0.01	2,589
Jun97	96.87	96.83	96.85	Unch.	181,057
Sep97	96.78	96.73	96.77	Unch.	149,490
Dec97	96.60	96.55	96.59	— 0.01	154,174
Mar98	96.42	96.36	96.40	— 0.02	111,855
Jun98	96.20	96.15	96.19	— 0.02	93,511
Sep98	95.94	95.89	95.93	— 0.03	76,511
Dec98	95.65	95.60	95.64	— 0.02	67,168
Mar99	95.38	95.35	95.37	— 0.03	42,366
Jun99	95.12	95.09	95.11	— 0.03	23,491
Sep99	94.87	94.83	94.85	— 0.03	19,074
Dec99	94.60	94.56	94.59	— 0.03	10,867
Mar00	94.32	94.32	94.34	— 0.02	647
Jun00	N.T.	N.T.	94.08	— 0.02	176
Sep00	N.T.	N.T.	93.84	— 0.02	50
Dec00	N.T.	N.T.	93.62	— 0.02	100
Est. sales: 154,357. Prev. sales: 207,972					
Prev. open int.: 1,141,354 off 4,015					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.48	93.40	93.43	— 0.02	99,635
Jun97	93.43	93.34	93.38	— 0.02	101,874
Sep97	93.21	93.13	93.15	— 0.03	66,182
Dec97	93.01	92.93	92.94	— 0.05	50,274
Mar98	92.87	92.79	92.80	— 0.05	37,122
Jun98	92.77	92.68	92.68	— 0.07	29,085
Sep98	92.68	92.61	92.61	— 0.06	20,773
Dec98	92.60	92.52	92.53	— 0.06	17,741
Mar99	92.51	92.43	92.44	— 0.06	8,795
Jun99	92.44	92.40	92.39	— 0.05	7,069
Sep99	92.39	92.30	92.31	— 0.08	6,695
Dec99	92.36	92.30	92.27	— 0.09	2,467
Est. sales: 79,882. Prev. sales: 42,976					
Prev. open int.: 447,912 up 2,320					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.73	96.68	96.70	— 0.03	73,639
Jun 97	96.75	96.71	96.74	— 0.02	48,912
Sep 97	96.71	96.68	96.70	— 0.02	35,016
Dec 97	96.63	96.59	96.63	— 0.01	23,874
Mar 98	96.50	96.47	96.50	— 0.02	16,944
Jun 98	96.33	96.29	96.32	— 0.02	15,921
Sep 98	96.13	96.08	96.12	— 0.02	11,318
Dec 98	95.86	95.81	95.84	— 0.01	10,880
Mar 99	95.58	95.55	95.58	+ 0.00	12,485
Jun 99	95.31	95.29	95.31	+ 0.05	5,694
Sep 99	95.06	95.03	95.06	+ 0.02	2,739
Dec 99	94.79	94.79	94.79	+ 0.03	1,241
Est. volume: 57,891. Open int.: 258,663 off 1,145.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.22	93.06	93.15	— 0.09	95,799
Jun97	93.75	93.61	93.68	— 0.11	66,190
Sep97	94.11	93.93	94.01	— 0.11	42,396
Dec97	94.25	94.10	94.19	— 0.10	30,005
Mar98	94.31	94.21	94.27	— 0.10	15,188
Jun98	94.31	94.20	94.25	— 0.10	8,902
Est. sales: 87,409. Prev. sales: 57,619					
Prev. open int.: 258,480 up 4,537					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	75.40	74.70	75.35	+0.24	20,964
May 97	76.75	76.05	76.60	+0.15	18,396
Jul 97	77.70	77.05	77.70	+0.22	8,260
Oct 97	77.55	77.45	77.55	—0.10	1,502
Dec 97	77.59	77.30	77.50	—0.05	12,045
Mar 98	78.41	78.20	78.40		724
Est. sales N.A. Tue's. sales 7,717					
Tue's open int 62,385 up 96					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Feb 97	69.00	66.90	68.84	+2.01	21,306
Mar 97	67.25	65.65	67.07	+1.46	29,755
Apr 97	64.40	63.50	64.32	+1.16	13,413
May 97	61.67	61.05	61.67	+0.96	5,167
Jun 97	60.02	59.50	60.02	+0.96	5,989
Jul 97	59.37	59.00	59.37	+1.01	3,424
Aug 97	59.57	59.57	59.57	+1.01	3,071
Sep 97	59.97	59.50	59.97	+1.01	3,191
Oct 97	60.42	60.42	60.42	+1.06	1,821
Nov 97	60.82	60.50	60.82	+1.06	1,535
Est. sales 43,445 Tue's. sales 30,967					
Tue's open int 98,382 off 4531					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 97	24.55	23.82	24.47	+0.57	80,451
Apr 97	23.99	23.36	23.93	+0.51	37,649
May 97	23.47	22.98	23.42	+0.46	22,884
Jun 97	23.06	22.69	22.96	+0.43	32,036
Jul 97	22.60	22.25	22.58	+0.41	15,514
Aug 97	22.26	21.90	22.24	+0.39	14,516
Sep 97	21.96	21.60	21.92	+0.37	15,676
Oct 97	21.60	21.54	21.60	+0.35	10,707
Nov 97	21.30	21.21	21.30	+0.35	7,601
Dec 97	21.10	20.80	21.02	+0.34	24,948
Jan 98	20.90	20.71	20.77	+0.32	12,600
Feb 98	20.58	20.45	20.58	+0.31	7,316
Mar 98	20.40	20.40	20.40	+0.29	2,221
Est. sales 69,254 Tue's. sales 46,101					
Tue's open int 349,142 up 578					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Mar 97	2.546	2.410	2.438		[illegible]
Apr 97	2.245	2.140	2.156		16,371
May 97	2.115	2.045	2.055		12,596
Jun 97	2.100	2.050	2.060		8,603
Jul 97	2.095	2.065	2.070		8,687
Aug 97	2.100	2.085	2.085		7,692
Sep 97	2.110	2.095	2.100		6,427
Oct 97	2.125	2.110	2.120		8,207
Nov 97	2.240	2.230	2.230		4,558
Dec 97	2.365	2.340	2.345		7,586
Jan 98	2.390	2.380	2.380		5,918
Est. sales 14 Tue's. sales 23,367					
Tue's open int 149,738					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Feb 97	68.40	66.90	68.23	+1.19	13,003
Mar 97	68.45	67.25	68.31	+1.06	26,181
Apr 97	70.10	68.85	69.95	+1.10	11,494
May 97	69.60	68.70	69.47	+1.09	8,586
Jun 97	68.25	67.70	68.20	+1.07	5,429
Jul 97	66.45	65.70	66.45	+1.07	2,953
Est. sales 27,141 Tue's. sales 22,959					
Tue's open int 71,489 off 1962					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Feb 97	204.50	200.50	204.50	+ 4.00	23,398
Mar 97	199.75	196.50	199.50	+ 3.00	16,129
Apr 97	193.75	191.25	193.50	+ 2.00	7,770
May 97	189.25	187.75	188.75	+ 1.75	3,546
Jun 97	186.50	185.00	186.25	+ 1.25	7,383
Jul 97	186.00	184.25	186.00	+ 1.25	2,678
Aug 97	185.00	185.00	185.75	+ 1.25	1,212
Sept 97	184.75	184.75	185.50	+ 1.25	937
Oct 97	184.75	184.50	185.25	+ 1.25	971
Nov 97	184.50	184.00	185.00	+ 1.25	414
Dec 97	184.50	183.50	184.75	+ 1.25	3,119
Est. sales: 17,748. Open int.: 68,034 up 191					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Mar 97	22.80	22.32	22.77	+0.52	59,917
Apr 97	22.33	21.87	22.30	+0.57	32,132
May 97	21.86	21.50	21.89	+0.52	[illegible]
June 97	21.48	21.15	21.50	+0.47	[illegible]
July 97	21.10	20.84	21.13	+0.42	11,545
Aug 97	20.78	20.75	20.82	+0.42	3,177
Sep 97	20.23	20.23	20.53	+0.40	5,226
Oct 97	19.96	19.96	20.28	+0.40	3,626
Nov 97	19.71	19.71	20.03	+0.41	2,632
Dec 97	19.47	19.46	19.80	+0.42	3,270
Est. sales:37,427. Open int.: 156,043 off 3,395					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	777.20	769.10	776.80	+5.30	181,702
Jun 97	784.50	777.50	784.50	+5.90	9,868
Sep 97	786.40	786.40	786.40	—0.60	1,884
Dec 97			794.35		1,454
Est. Sales N.A. Tue's. sales 83,881					
Tue's open int 194,828					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4232.0	4228.0	4208.0	— 40.0	61,177
Jun97	4227.0	4227.0	4228.0	— 40.0	4,779
Sep97	N.T	N.T	4254.5	— 40.5	1,396
Est. sales: 15,625. Prev. sales: 17,333					
Prev. open int.: 67,352 up 325					
CAC 40 (MATIF) FF200 per index point					
Jan 97	2471.0	2446.0	2465.0	— 19.50	19,493
Feb 97	2474.5	2452.0	2470.0	— 19.00	14,993
Mar 97	2481.0	2459.5	2476.0	— 19.00	18,968
Jun 97	2435.0	2435.0	2438.5	— 19.50	1,590
Sep 97	2449.0	2448.5	2451.5	— 18.00	6,777
Dec 97	N.T.	N.T.	2471.5	— 18.00	Unch.
Mar 98	N.T.	N.T.	2485.5	— 17.50	6,993
Sep 98	N.T.	N.T.	2460.5	— 17.50	710
Est. volume: 41,969. Open int.: 69,523 up 2,350.					

Commodity Indexes

	Close	Previous
Moody's	1,479.80	1,478.20
Reuters	1,957.70	1,960.10
D.J. Futures	152.19	152.05
CRB	241.16	242.47

Stora's Earnings Plummet as Price Of Pulp Plunges

Compiled by Our Staff From Dispatches

STOCKHOLM — Stora Kopparbergs Bergslags AB said Wednesday that fourth-quarter pretax profit ...ll 77 percent, more than expected, ... prices and demand for its ...oducts dropped.

But analysts said that while sales ...uld improve, the profit outlook for ...estry companies this year did not ...ok bright.

Pretax profit fell to 427 million ...onor ($58.6 million) from 1.82 ...llion kronor a year earlier, below ...alysts' average forecast of 582 ...illion kronor.

Stora is the first of Europe's large ...rest-products companies to report ...rnings for all of 1996, when re...lts were hit by one of the sharpest ...ice drops ever recorded for pulp, the industry's benchmark product. American companies such as Weyerhaeuser Co. have already reported fourth-quarter earnings that fell by more than half.

Looking into 1997, sales volume "should be better," said Lars-Aake Helgesson, chief executive at Stora. Stora said order bookings for lightweight coated magazine paper and fine paper were strong at the beginning of 1997.

"The order situation for fine paper looked good at the beginning of the year," Mr. Helgesson said.

Analysts said they agreed sales volume would increase, although that did not raise their outlook for next year.

Jukka Huuskonen, an analyst at Arctos Securities in Helsinki, said, "The producers' volumes should pick up because purchasers' inventories have been depleted last year."

For all of 1996, Stora's pretax profit fell 71 percent to 2.35 billion kronor. If the krona had not strengthened last year, 1996 pretax profit would have been 750 million kronor higher, Stora said. A stronger krona means exporters get fewer kronor when foreign-currency sales are translated.

Stora said it would pay shareholders a dividend of 3.75 kronor a share, the same as in 1995.

Stora's A shares fell to 337 kronor after the report, down 3.

On Thursday, Svenska Cellulosa AB is expected to report a drop of 34 percent to 43 percent in 1996 profit, to between 3.29 billion kronor and 3.79 billion kronor, compared with 5.73 billion kronor a year earlier, according to a SIX Market Estimates survey.

Analysts say they will be looking at other results for any indication of price developments in the next few quarters, although few say there is much chance of any increase in the pulp price before spring.

"My basic scenario is that we will see prices move sideways, with some pickup in the second quarter," said Mikael Jaafs of Sparbanken Sverige.

A London-based analyst said he did not expect any increase in prices until well into the second half of 1997. *(Bloomberg, Reuters)*

TF1 Fails to Block Canal Plus Merger

Reuters

PARIS — A French appeals court ...s rejected a bid by the TF1 tele...sion channel, a subsidiary of the ...ench construction company ...ouygues SA, to block Canal Plus's ...erger with Nethold NV, Canal ...us said Wednesday.

"This is a double victory for ...nal Plus," the company said. ...ast Nov. 19, the Tribunal de ...mmerce dismissed TF1's request ...d ordered the company to pay ...nal Plus 100,000 francs ...18,000]. Today it was the appeals ...urt's turn to throw out TF1's de...ands, fining it a further 100,000 ...ncs and the cost of the appeal."

TF1 went to court Oct. 21 to de...nd a suspension of the merger or ...exclusion of all Nethold sports ...annels from the merger, citing a ...vious agreement between TF1 and ...nal Plus on the Eurosport channel, which Canal Plus had pledged not ...compete with Eurosport.

Canal Plus responded at the time ...t the merger did not jeopardize ...interests of Eurosport, in which ...was a 33 percent shareholder. ...PN, a sports cable network that is ...t of Walt Disney Co.'s ABC Inc. ...sidiary, is also a shareholder.

Murky Atlantic Skies

BA-American Link to Wait for October

Bloomberg News

LONDON — British Airways PLC and AMR Corp.'s American Airlines said Wednesday they would not be able to begin joint trans-Atlantic flights until at least October because of regulatory objections to their plan on both sides of the Atlantic.

The admission, confirming a widely held assumption in the industry, came as a published report said U.S. and British negotiators were close to sealing an "open skies" treaty that would help clear the way for the proposed alliance.

Even so, the two airlines said U.S. and British antitrust reviews — which are still under way six months after the airlines proposed the pact — meant they would not be able to link up in time for the lucrative summer travel season that begins April 1.

Airlines must apply for route authorization months in advance, and both BA and American have already applied for the summer 1997 season. "The summer schedule is set," Lizanne Peppard, a spokeswoman for American, said.

The next window would be the winter season, which begins Oct. 1. David Wilson, a BA spokesman, said the airlines could still begin some parts of the pact in "phases," implementing steps short of uniting their flights as they win approval from regulators.

Analysts say the carriers could at least sell seats under one another's flight codes, a relationship similar to the one between BA and its current partner, USAir Group Inc., and unite their frequent-flier programs.

But BA and American would have to wait for an exemption from U.S. antitrust law before they could begin sharing revenue on trans-Atlantic routes, jointly setting fares and schedules and cooperating more closely on operations such as baggage-handling.

Washington has said it would not allow the exemption without a new open-skies treaty, which would lift restrictions limiting the routes carriers can fly and would open London's Heathrow Airport to more U.S. airlines.

According to press reports, Washington is optimistic about the talks, which are to resume Tuesday in Washington. "We've got 90 percent of an open-skies agreement agreed upon," a U.S. official was quoted as saying. "The big picture is largely there."

Europe to Widen Inquiry Into BT's Takeover of MCI

Bloomberg News

LONDON — The European Commission will intensify its scrutiny of British Telecommunications PLC's proposed $25 billion acquisition of MCI Communications Corp., BT said Wednesday.

The European Union's executive agency told BT that the planned takeover was so complex it merited further investigation, said David Orr, a BT spokesman.

The so-called second-stage inquiry follows three months of scrutiny of the proposal by U.S. and European antitrust authorities. It comes after a call Saturday by a group of U.S. Baby Bell phone companies, with Deutsche Telekom AG and France Telecom, for U.S. regulators to make sure the BT-MCI combination will not strangle competition.

"This is not unexpected," said Mr. Orr. "As we always said, there are significant regulatory hurdles to overcome, and we didn't expect the merger to be cleared until the autumn."

In late trading in New York on Wednesday, MCI's shares rose 6.25 cents, to $34.625. On Tuesday, MCI said fourth-quarter earnings rose 6.7 percent, although though its long-distance business expanded at its slowest pace in two years. BT shares, meanwhile, fell 4 pence to 420 in London and are up almost 20 percent since early November.

Phone Firm In Denmark To Fire 2,500

Bloomberg News

COPENHAGEN — Tele Danmark A/S, the majority state-owned telephone company, said it will restructure its operations and lay off 2,500 employees by the middle of 1998.

The move aims to strengthen the company's competitive position, streamline operations and cut costs as liberalization of the Danish telephone market increases competition.

The company will dismiss 2,500 workers and recruit 500 more, bringing the net reduction to 2,000. Tele Danmark's overall work force of 16,400 to 17,000 employees will fall by about 12 percent.

Tele Danmark declined to specify how much it expected the changes to shave from its annual costs or what the charges for employee reductions and organizational changes would total.

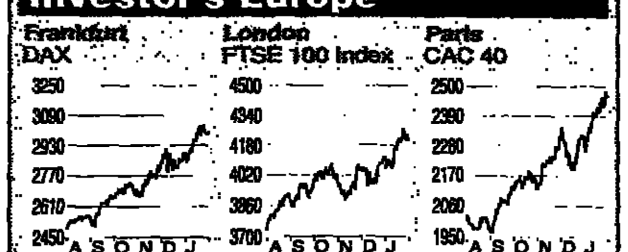
Tele Danmark said it would reorganize operations serving private clients by combining seven separate units, which are based on geography, into one main division, which mirrors the existing structure of its corporate client business.

Tele Danmark also will split off its Internet business from its division serving business clients. The division provides the Internet to homes as well as offices, and has more than 100,000 customers.

Tele Danmark will streamline several projects affecting its external sales and marketing operations and its internal administration. The company did not provide details.

The company's shares closed Wednesday at 354 kroner ($56.20), down 1 krone from Tuesday.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	672.63	683.18	-1.54
Brussels	BEL-20	2,031.67	2,050.44	-0.92
Frankfurt	DAX	2,999.29	2,989.33	+0.33
Copenhagen	Stock Market	583.41	585.24	-0.36
Helsinki	HEX General	2,697.83	2,735.99	-1.42
Oslo	OBX	571.41	573.94	-0.44
London	FTSE 100	4,207.50	4,237.40	-0.71
Madrid	Stock Exchange	460.60	466.47	-1.28
Milan	MIBTEL	12,199.00	12,480.00	-2.25
Paris	CAC 40	2,465.01	2,482.76	-0.71
Stockholm	SX 16	2,657.32	2,706.86	-1.83
Vienna	ATX	1,172.87	1,172.94	-0.01
Zurich	SPI	2,666.49	2,676.67	-0.38

Source: Telekurs — International Herald Tribune

Very briefly:

- Daimler-Benz AG's Debis unit said 1996 earnings were the highest in the company's six-year history as growth in financial services, telecommunications and information technology lifted revenue 15 percent to 13.57 billion Deutsche marks ($8.24 billion). Profit figures were not disclosed.
- FKI PLC abandoned its hostile bid to buy Newman Tonks PLC, clearing the way for Ingersoll-Rand Corp. of the United States to buy the home-hardware business for $374 million.
- Telefonica de Espana SA could ask the government to allow small investors to buy as much as three-quarters of the state's 21 percent stake in the telephone company.
- Repsol SA, Spain's largest oil and gas company, said net profit rose 1.1 percent in 1996, to 119.01 billion pesetas ($855.9 million), from 117.7 billion pesetas in 1995.
- Danone SA's net profit rose 8 percent in 1996, to 3.38 billion French francs ($606.5 million), benefiting from improved margins after a reorganization in Europe and strong international sales.

AP, Bloomberg

Bank of England Sought Rate Hike

Reuters

LONDON — Britain's central bank warned the government that it must raise interest rates to stave off inflation, minutes from a December monetary meeting say.

The minutes, released Wednesday, show that the Bank of England's governor, Eddie George, told the chancellor of the Exchequer, Kenneth Clarke, that a failure to raise rates immediately by a quarter point would mean a half-point increase in January or February. Mr. Clarke overruled Mr. George and kept rates at 6.0 percent, saying the case had not been made for an increase. "Overall, the chancellor thought the picture was still mixed, with the indicators giving different signals," the minutes say.

Comments from Mr. Clarke suggest he will fight to keep rates the same until after the election, due by May 22, in hopes of retaining homeowners' support for the Conservative Party.

WORLD STOCK MARKETS

Wednesday, Jan. 29

Prices in local currencies.

Telekurs

Amsterdam
EOE Index: 672.63 — Previous: 683.18

	High	Low	Close	Prev.
…AMRO	122	119.80	120	122.30
…	118.90	116.50	117.10	119.10
…	112.50	111.10	112	112.90
…Nobel	263.50	260.50	260.70	264.60
…Co.	85.50	80	80	81.50
…Wess cva	34.50	33.60	34.10	34
…cva	102.30	101.30	101.90	102.10
…ische Pet	337	333.20	334.20	339.50
…	175	172	172.50	176.50
…ier	27.50	27.20	27.30	27.50
…Amev	67.80	66.30	67	68.60
…nics	52.40	51.10	51.90	52.30
…c cva	58.90	58.20	58.70	59.10
…meyer	146.30	144.10	145.30	146.90
…sken	290.80	287	289	292.20
…ovens cva	71.90	71	71.20	72.80
…Douglas	126.50	125	125.30	127.20
…Group	70	68.60	69.10	70.60
…	55.20	54.20	54.50	54.90
…BT	40.90	40.40	40.70	41
…	67.60	66.60	67.20	67.80
…yd Gp	56.50	55.50	55.80	57
…ao	264.80	261	263.20	266
…rinten	208.70	206.50	208	209.60
…s Elec	74.10	72.10	72.70	74.70
…rand	84.50	83	83	83.90
…sted Hdg	130.50	124.50	126	130.80
…co	151.90	151.20	151.20	152.10
…mco	54.60	54.30	54.50	54.60
…co	158.70	158	158	158.40
…lo	108.20	107.90	108	108.30
…Dutch	317	313.60	315.70	320.10
…ers cva	306.70	303	305.60	308.90
…	82.50	81	81.20	82.20
…	36.70	35.20	35.70	36.50
…rs Kl cva	224.60	221.60	221.60	224.60

Bangkok
SET Index: 814.39 — Previous: 842.43

	High	Low	Close	Prev.
…nfo Svc	272	246	246	272
…ok Bk F	270	260	260	268
…Thai Bk	52	48	48.75	51
…Explor	396	380	380	392
…Cement F	920	892	892	896
…Com Bk F	202	192	194	200
…amasia	53.50	49	49.25	52
…Airways	41.75	41	41.25	41.25
…Farm Bk F	180	170	174	179
…com	189	174	179	189

Bombay
Sensex 30 index: 3525.97 — Previous: 3484.28

	High	Low	Close	Prev.
…Auto	948	875	877.50	937.75
…Lever	890	880.25	883.25	882
…Petim	391	381	383.25	390
…Bk	99.25	97	97.25	97
…	428	403	403	403
…agar Tel	257.75	245	246.25	245
…ch Ind	285.50	267	268.75	280.50
…Bk India	317.25	291	291.75	312.50
…uthority	24.25	23.50	23.50	23.75
…Eng Loco	360	342	345	355

Brussels
BEL-20 index: 2031.67 — Previous: 2050.44

	High	Low	Close	Prev.
…	12250	12000	12200	12200
…ind	5500	5450	5470	5500
…	7140	7080	7080	7140
…	19575	19075	19175	19475
…	3175	3120	3145	3190
…	3140	3095	3140	3120
…	1230	1218	1220	1240
…	117	115	116	116
…	14300	14000	14100	14350
…Lion	1915	1880	1890	1930
…bel	7880	7810	7840	7880
…fina	3200	3140	3160	3150
…AG	5640	5550	5570	5650
…if	2310	2280	2290	2300
…	1560	1550	1555	1575
…	4550	4475	4510	4550
…aque	12000	11875	11950	12150
…Bank	11900	11625	11775	11875
…ba	11600	11350	11525	11550
…	4815	4750	4760	4768
…Belge	7130	7010	7060	7110
…ge Belg	2560	2525	2545	2550
…	22750	22425	22575	23050
…bel	14775	14675	14725	14675
…	95450	93750	94800	95900
…Miniere	2380	2325	2350	2380

Copenhagen
Stock Index: 583.41 — Previous: 585.24

	High	Low	Close	Prev.
…ia	293	286.50	289	290
…rg B	391	387	387	393
…Fors	830	825	830	830
…a	366	359	360	364
…anske Bk	505.51	498	498	505
…borg B	255000	253000	255000	255000
…12 B	176000	173752	174500	174500
…16 B	851	840	841	840
…ietheyne	681	670	680	670
…rdisk B	558	550	558	550
…Ber B	865	828	829	818
…mark B	357	351	354	355
…ltics	326	321	325	324
…mark A	348	331	333	337

Frankfurt
DAX: 2999.29 — Previous: 2989.33

	High	Low	Close	Prev.
…	950	930	930	950
…	157.30	152.50	153.20	156
…Hdg	2936	2890	2914	2833
…	1305	1278	1294	1277.50
…sin	32.95	32.40	32.40	32.80
…	40.25	39.80	39.90	39.10
…Hypo Bk	52.50	51.70	52.40	52.93
…vereinsbank	62.90	62.70	62.85	62.70
…	62.60	62.10	62.30	61.55
Beiersdorf	83	82.50	82.70	82.10
BMW	1033	1025	1030	1026
Commerzbank	42.15	41.75	41.90	42.40
Daimler Benz	115.50	114.60	115.15	114.10
Degussa	704.50	693	704.50	696.20
Deutsche Bank	83.40	82.60	82.75	83.30
Deut Telekom	30.34	30.20	30.25	30.64
Dresdner Bank	52.40	51.60	51.60	52.20
Fresenius	312	310	312	318
Fresenius Med	142.40	141.45	141.45	143.80
Fried. Krupp	252.30	251.50	251.50	251
Gehe	111.30	110.60	110.60	111.50
Heidelbg Zmt	132	131	132	130.50
Henkel pfd	83.50	83	83	82.10
Hochtief	67.20	65.50	65.50	67.05
Hoechst	70.26	69.45	69.89	69.15
Karstadt	492	488	490.50	487
Linde	1035	1025	1026	1036
Lufthansa	22.25	22.02	22.02	22.15
MAN	410	402	408	408
Mannesmann	657	649	649	654.50
Metallgesellschaft	32.40	32.10	32.35	32.10
Metro	126.75	125.20	126	126.70
Munch Rueck R	3715	3690	3690	3675
Preussag	387	385	387	380.50
RWE	68.30	67.90	68.10	67.60
SAP pfd	223	213	213	221.50
Schering	137.80	137	137.60	135.70
Siemens	78.15	77.85	78.10	78.78
Thyssen	300.50	295	299.20	291.70
Veba	90.35	90.34	90.27	90
VEW	498	495.50	498	495.50
Viag	656	652.50	655	652.50
Volkswagen	773	769	771	767.25

Helsinki
HEX General Index: 2697.83 — Previous: 2735.99

	High	Low	Close	Prev.
Cultor 1	255	250	250	252
Enso A	38.50	38.20	38.50	38
Huhtamaki I	216	213	214	216.90
Kemira	55	54.50	54.50	54.80
Kesko	65.80	64.60	65	65.50
Merita A	16.40	16.10	16.10	16.50
Metra B	274.50	271	273	276
Metso-Serla B	36.20	35	36	36.50
Neste	121	118	119	121
Nokia A	313	304	304.50	313
Orion-Yhtymae	181	179	179.50	181
Outokumpu A	79.50	78.80	79	79.90
Rautaruukki	44	43	44	44
Sampo Insur	431	422	424	426
UPM-Kymmene	98	96.70	96.70	98.50
Valmet	88	86	86	88

Hong Kong
Hang Seng: 13285.43 — Previous: 13403.29

	High	Low	Close	Prev.
Amoy Props	10.30	9.90	9.95	10.20
Bk East Asia	35.60	35	35.30	35.50
Cathay Pacific	11.80	11.60	11.65	11.70
Cheung Kong	75	71.50	72.50	74.50
CK Infrastruct	22.70	22.25	22.55	22.65
China Light	36	34	34.80	33.70
China Overs Ld	4.10	3.98	4.10	4
China Res Ent	16.30	15.85	16	15.95
Chin Estates	8.40	8.25	8.30	8.25
Citic Pacific	40	38.20	38.50	39.50
Cosco Pacific	9	8.80	9	8.80
Dao Heng Bk	38.80	38.50	38.60	38.70
First Pacific	10.70	10.60	10.60	10.70
Great Eagle	32.90	31.90	31.90	32.80
Guangdong Inv	7.05	6.80	6.90	6.85
Guoco Group	44.70	44.40	44.70	44.30
Hang Lung Dev	16.15	15.85	15.90	16.05
Hang Seng Bk	92	90.25	90.75	91.25
Henderson Inv	9.10	8.90	9.05	9.05
Henderson Ld	75	71.50	72.75	74.75
HKR Intl	12.40	12.20	12.20	12.35
HK China Gas	14.80	14.45	14.70	14.65
HK Electric	27.05	26.70	26.75	26.80
HK Shang Htls	14.50	14.20	14.25	14.25
HK Telecomm	13.45	13.10	13.25	13.30
Hopewell Hldgs	4.75	4.63	4.70	4.75
HSBC Hldgs	176	173.50	175.50	175
Hutchison Wh	60.25	58	59.50	60
Hysan Dev	28.70	28	28.30	28.70
Johnson El Hdg	23.65	23.40	23.65	23.65
Kerry Props	20.10	19.90	19.90	20
Nat Mutual	7.55	7.50	7.50	7.50
New World Dev	49.90	48.30	48.40	49
N World Infrastr	23.80	22.45	22.80	22.60
Oriental Press	3.03	2.93	2.93	3
Pearl Oriental	5.60	5.45	5.50	5.65
Shanghai Indus	28.10	27.55	27.75	28.85
Shangri-La Asia	11.40	11.20	11.20	11.40
SHK Props	91	88.50	88.50	90.75
Shun Tak Hdgs	5.30	5.20	5.25	5.25
Sino Land Co.	9	8.75	8.90	9
Sth China Post	6.35	6.20	6.30	6.35
Swire Pac A	73	71.50	73	72.75
Tsim Sha Tsui	20.20	19.95	20.15	19.90
TV Broadcasts	33.50	32.90	33.50	32.80
Wharf Hdgs	36.50	35.20	35.70	36
Wheelock	22.45	21.45	21.60	22.20

Jakarta
Composite index: 691.34 — Previous: 689.97

	High	Low	Close	Prev.
Astra Intl	6400	6350	6400	6375
Bk Intl Indon	1825	1775	1800	1825
Bk Negara	1625	1575	1625	1600
Gudang Garm	12200	11800	11975	11825
Indocement	3625	3600	3600	3625
Indofood	5350	5125	5350	5075
Indosat	6800	6775	6775	6825
Sampoerna HM	14600	14500	14525	14500
Semen Gresik	7475	7300	7300	7475
Telekomunikasi	4275	4175	4175	4200

Johannesburg
All Market: 6687.53 — Previous: 6735.97

	High	Low	Close	Prev.
Amalgamatd Bks	25.65	25.50	25.60	25.65
AngloAm Coal	314	312	312	316.50
AngloAm Corp	254.50	251.50	253	252.50
AngloAm Gold	330	324	325	330
AngloAm Ind	170	168.75	169.75	169
Barlow	46.35	46.05	46.20	46.50
C.G. Smith	23.30	23	23.10	22.30
De Beers	140.25	137	140.25	139.50
Driefontein	44	43.40	43.40	44.40
Fst Natl Bk	24.80	24.60	24.80	24.80
Gencor	18.50	18	18.20	18.70
GFSA	108	106	106	110.50
Iscor	3.64	3.54	3.54	3.66
Liberty Hdgs	318	318	318	320
Liberty Life	119	118.25	118.75	119.75
Minorco	105.25	104.75	104.75	105.75
Nampak	17.90	17.70	17.90	17.90
Nedcor	69.50	68.50	68.75	69.50
Rembrandt Gp	42.85	42.55	42.70	42.85
Richemont	64	63	63.25	65
Rust Platinum	60.25	60	60	61
SA Breweries	123.75	122.50	122.75	124
Samancor	49.75	49.50	49.75	49.75
Sasol	54.25	53	53.25	55
SBIC	185	182	185	183
Tiger Oats	67.25	66	67.25	66.25

Kuala Lumpur
Composite: 1212.53 — Previous: 1228.89

	High	Low	Close	Prev.
Genting	17.40	17	17	17.30
Mal Banking	28.25	27.50	27.75	28.25
Mal Intl Ship F	6.60	6.50	6.55	6.55
Petronas Gas	9.50	9.35	9.35	9.40
Renong	4.50	4.48	4.48	4.46
Resorts World	12.90	12.70	12.90	12.80
Sime Darby	9.25	9.05	9.10	9.25
Telekom Mal	20.30	20	20	20.10
Tenaga	12.40	11.60	11.60	12.40
Utd Engineers	21.70	21	21.10	21.70

London
FT-SE 100: 4207.50 — Previous: 4237.40

	High	Low	Close	Prev.
Abbey Natl	7.61	7.42	7.57	7.41
Allied Domecq	4.22	4.13	4.20	4.15
Anglian Water	6.17	6.10	6.13	6.12
Argos	6.40	6.35	6.36	6.40
Asda Group	1.24	1.21	1.23	1.24
Assoc Br Foods	4.83	4.79	4.81	4.83
BAA	5.27	5.17	5.21	5.20
Barclays	11.54	11.37	11.48	11.54
Bass	8.79	8.56	8.65	8.74
BAT Ind	4.95	4.85	4.93	4.84
Bank Scotland	3.30	3.20	3.25	3.30
Blue Circle	4	3.94	3.96	3.92
BOC Group	9.50	9.25	9.27	9.28
Boots	6.50	6.45	6.49	6.48
BPB Ind	3.67	3.62	3.63	3.65
Brit Aerosp	12.94	12.83	12.87	12.93
Brit Airways	5.99	5.89	5.94	5.97
Brit Gas	2.24	2.16	2.20	2.24
Brit Land	5.05	4.94	5	5.05
Brit Petm	7.31	7.17	7.24	7.20
BSkyB	5.88	5.77	5.84	5.80
Brit Steel	2	1.47	1.49	1.49
Brit Telecom	4.29	4.19	4.21	4.24
BTR	2.62	2.55	2.59	2.59
Burmah Castrol	10.35	10.23	10.24	10.22
Burton Gp	1.52	1.50	1.52	1.51
Cable Wireless	4.86	4.71	4.77	4.84
Cadbury Schw	4.82	4.77	4.78	4.80
Carlton Comm	5.12	5.05	5.07	5.07
Coml Union	6.97	6.85	6.92	6.95
Compass Gp	6.70	6.65	6.70	6.72
Courtaulds	3.95	3.80	3.84	3.84
Dixons	4.97	4.86	4.95	4.89
Electrocomponents	4.60	4.25	4.48	4.58
EMI Group	12.88	12.71	12.83	12.73
Enterprise Oil	6.55	6.38	6.52	6.42
Fam Colonial	1.51	1.49	1.49	1.51
Genl Accident	7.87	6.78	7.73	7.88
GEC	3.95	3.89	3.92	3.95
GKN	9.97	9.90	9.95	9.94
Glaxo Wellcome	9.69	9.52	9.58	9.67
Granada Gp	8.85	8.70	8.77	8.84
Grand Met	4.60	4.52	4.58	4.58
GRE	2.79	2.72	2.75	2.78
Greenalls Gp	5.78	5.64	5.70	5.68
Guinness	4.47	4.35	4.40	4.43
GUS	6.26	6.18	6.23	6.21
Hanson	0.93	0.91	0.92	0.93
Hays	5.64	5.60	5.62	5.61
HSBC Hldgs	14.22	14	14.07	14.22
ICI	7.63	7.48	7.56	7.50
Impl Tobacco	4	3.94	3.96	3.96
Kingfisher	6.75	6.65	6.70	6.72
Ladbroke	2.32	2.28	2.28	2.29
Land Sec	7.62	7.50	7.51	7.49
Lasmo	2.45	2.39	2.44	2.43
Legal Genl Grp	3.75	3.67	3.72	3.68
Lloyds TSB Gp	4.78	4.66	4.73	4.73
LucasVarity	2.21	2.08	2.09	2.19
Marks Spencer	4.94	4.78	4.85	4.91
MEPC	4.50	4.45	4.48	4.45
Mercury Asset	13.20	13.03	13.03	13.11
National Grid	2.08	2.04	2.07	2.07
Natl Power	4.99	4.87	4.91	4.97
NatWest	7.75	7.60	7.65	7.72
Next	5.73	5.62	5.67	5.71
Orange	2.07	2.03	2.05	2.10
P&O	6.39	6.37	6.35	6.34
Pearson	7.70	7.51	7.63	7.55
Pilkington	1.52	1.47	1.48	1.50
PowerGen	6.52	6.40	6.48	6.50
Premier Farnell	6.93	5.80	6	6.94
Prudential	5.48	5.42	5.47	5.48
Railtrack PP	3.80	3.72	3.76	3.73
Rank Group	4.36	4.25	4.33	4.35
Reckitt Colm	7.13	7.05	7.09	7.12
Redland	3.57	3.35	3.51	3.56
Reed Intl	10.37	10.28	10.35	10.37
Rentokil Initial	4.62	4.53	4.60	4.62
Reuters Hldgs	6.75	6.63	6.71	6.67
Rexam	3.39	3.35	3.37	3.35
RMC Group	9.95	9.40	9.70	9.85
Rolls Royce	2.41	2.36	2.38	2.41
Royal Bk Scot	5.83	5.73	5.74	5.82
RTZ reg	9.40	9.23	9.32	9.40
Royal & Sun All	4.68	4.58	4.63	4.68
Safeway	3.90	3.81	3.88	3.83
Sainsbury	3.71	3.29	3.31	3.33
Schroders	16.60	16.45	16.45	16.50
Scot Newcastle	6.86	6.80	6.82	6.86
Scot Power	3.72	3.70	3.72	3.72
Securicor	2.94	2.89	2.90	2.95
Severn Trent	6.93	6.83	6.83	6.91
Shell Transp R	10.63	10.42	10.50	10.59
Siebe	11.27	10.20	10.26	10.20
Smith Nephew	1.82	1.79	1.80	1.81
SmithKline	8.59	8.45	8.52	8.56
Smiths Ind	7.85	7.48	7.75	7.89
Sthern Elec	7.76	7.48	7.71	7.75
Stagecoach	7.76	7.39	7.38	7.74
Stand Charter	7.38	7.27	7.33	7.35
Tate & Lyle	4.30	4.25	4.26	4.30
Tesco	3.62	3.57	3.59	3.57
Thames Water	6.61	6.55	6.55	6.65
3i Group	5.23	5.12	5.15	5.24
TI Group	5.53	5.39	5.50	5.40
Tomkins	2.78	2.70	2.72	2.77
Unilever	14.02	13.88	13.90	14.01
Utd Assurance	4.97	4.87	4.93	4.91
Utd News	7.15	7.11	7.10	7.15
Utd Utilities	6.59	6.20	6.52	6.58
Vendome Lx uts	4.94	4.86	4.90	4.88
Vodafone	2.76	2.69	2.71	2.75
Whitbread	7.69	7.63	7.67	7.71
Williams Hdgs	3.32	3.25	3.25	3.31
Wolseley	4.75	4.69	4.71	4.75
WPP Group	2.51	2.47	2.50	2.49
Zeneca	17.30	16.95	17.04	16.99

Madrid
Bolsa index: 461.60 — Previous: 466.47

	High	Low	Close	Prev.
Acerinox	17980	17600	17940	17900
ACESA	1790	1745	1760	1800
Aguas Barcelon	5840	5700	5780	5790
Argentaria	5780	5700	5710	5830
BBV	8000	7830	7970	7990
Banesto	1155	1130	1130	1145
Bankinter	19790	19510	19590	19840
Bco Central Hisp	3365	3315	3340	3375
Bco Exterior	2750	2710	2710	2720
Bco Popular	26760	25910	26220	26780
Bco Santander	8580	8460	8560	8570
CEPSA	4550	4430	4490	4490
Continente	2575	2500	2500	2600
Corp Mapfre	8550	8030	8370	8380
Endesa	9370	9120	9260	9480
FECSA	1300	1260	1280	1310
Gas Natural	32390	31800	32300	32460
Iberdrola	1620	1585	1615	1625
Pryca	2620	2515	2520	2625
Repsol	5780	5650	5670	5780
Sevillana Elec	1350	1310	1310	1350
Tabacalera	6210	6150	6240	6320
Telefonica	3235	3205	3225	3260
Union Fenosa	1195	1165	1170	1205
Valenc Cement	1435	1425	1435	1430

Manila
PSE index: 3373.61 — Previous: 3341.99

	High	Low	Close	Prev.
Ayala B	30	28.50	30	30
Ayala Land	32	31	31.50	31
Bk Philip Isl	196	187	195	187
C&P Homes	15	14.50	14.75	14.50
Manila Elec A	128	126	126	127
Metro Bank	700	680	695	680
Petron	11.25	10.75	11	10.75
PCIBank	345	342.50	345	342.50
Phil Long Dist	1590	1560	1590	1515
San Miguel B	108	104	105	108
SM Prime Hdg	7.70	7.50	7.60	7.70

Mexico
Bolsa index: 3631.62 — Previous: 3676.76

	High	Low	Close	Prev.
Alfa A	41.45	40.80	41.15	41.45
Banacci B	15.60	15.30	15.50	15.70
Cemex CPO	29.50	29.20	29.30	29.40
Cifra C	10.78	10.40	10.42	10.82
Emp Moderna	43.80	42.95	43.60	43.30
Gpo Carso A1	49.20	48.55	48.55	49.20
Gpo Fin Inbursa	28.40	27.70	28.00	28.50
Kimb Clark Mex	166.60	162.00	162.00	166.60
Televisa CPO	104.70	101.60	101.70	105.80
TelMex L	14.58	14.42	14.52	14.58

Milan
MIB Telematico: 12199.00 — Previous: 12480.00

	High	Low	Close	Prev.
Alleanza Assic	12510	12100	12100	12540
Bca Comm Ital	3300	3170	3170	3295
Bca Fideuram	4665	4465	4465	4585
Bca di Roma	1324	1285	1299	1317
Benetton	21300	20600	20750	21450
Credito Italiano	2270	2220	2225	2285
Edison	10550	10165	10165	10555
ENI	8870	8720	8720	8900
Fiat	5285	5200	5210	5320
Generali Assic	33100	32350	32350	33450
IMI	16325	15800	15930	16565
INA	2210	2165	2170	2230
Italgas	6900	6670	6805	6700
Mediaset	7500	7290	7290	7515
Mediobanca	10840	10540	10595	10930
Montedison	1302	1284	1287	1310
Parmalat	2700	2615	2630	2675
Pirelli	3600	3500	3525	3530
RAS	15900	15600	15610	15920
Rolo Banca	17990	17615	17695	17700
S Paolo Torino	10980	10800	10800	11060
Stet	7875	7665	7670	7980
Telecom Italia	4710	4480	4485	4650
TIM	4810	4715	4720	4855

Montreal
Industrials index: 2890.74 — Previous: 2876.81

	High	Low	Close	Prev.
Bce Mob Com	42.95	42¾	42.95	43
Cdn Tire A	21¾	21.30	21¾	21.40
Cdn Util A	32¼	32¼	32.30	32¼
CT Finl Svc	32.25	32.25	32.25	31.35
Gaz Metro	16.60	16.40	16½	16.40
Gt-West Lifeco	20½	20.05	20.20	21
Imasco	36	35.40	36	35¾
Investors Grp	26	25.80	26	25.85
Loblaw Cos	16.40	16.05	16.30	16.20
Natl Bk Canada	14.30	14.05	14.10	14.15
Power Corp	28.05	27.80	28	28.05
Power Finl	25.55	25.35	25.35	25¼
Quebecor B	26	25.80	25.85	26.10
Rogers Comm B	9.45	9.30	9.45	9¾
Royal Bk Cda	49.95	49.70	49.90	49.85

Oslo
OBX Index: 571.41 — Previous: 573.94

	High	Low	Close	Prev.
Aker A	165	163	165	165
Bergesen Dy A	146.50	145	146	147
Christiania Bk	22.30	20.10	22.10	22.20
Den norske Bk	25.70	25.50	25.70	25.70
Elkem	107	101	102	103
Hafslund A	50	49	49.50	50
Kvaerner Asa	308	304	305	308
Norsk Hydro	362	359	361.50	363
Norske Skog A	203.50	198	202	203.50
Nycomed A	113	110.50	113	112
Orkla Asa A	512	495	500	509.50
Petlm GeoSvc	285	281	284	284
Saga Petlm A	124	122	122.50	124.50
Schibsted	145	140	141.50	140
Transocean Off	430	425	430	440
Storebrand Asa	38.20	37	38	36.80

Paris
CAC-40: 2465.01 — Previous: 2482.76

	High	Low	Close	Prev.
Accor	715	696	705	703
AGF	176.90	174.20	174.20	173.80
Air Liquide	872	848	868	868
Alcatel Alsth	454	449.90	452.70	454.10
Axa	359.80	355.80	358.60	359.50
Bancaire	678	662	670	681
BIC	895	883	891	891
BNP	228	221.10	223.70	222
Canal Plus	1195	1162	1174	1233
Carrefour	3380	3342	3358	3388
Casino	239	236.10	237	239
CCF	250	242.10	247	258
Cetelem	697	680	693	691
Christian Dior	893	875	883	898
CLF-Dexia Fran	498.50	487	498.50	498.70
Credit Agricole	1246	1246	1246	1250
Danone	826	811	822	811
Elf-Aquitaine	536	523	537	541
Eridania BS	825	807	823	810
Eurotunnel	7.50	7.30	7.40	7.45
Gen. Eaux	689	672	687	683
Havas	410	395.20	397.90	404
Imetal	835	821	833	835
Lafarge	329.80	326.10	327.90	332
Legrand	925	895	925	980
L'Oreal	1959	1921	1947	1960
LVMH	1479	1455	1462	1491
Lyon. Eaux	560	550	556	562
Michelin B	313.50	305.10	310.30	309
Paribas A	374	368	374	369
Pernod Ricard	306.80	298.10	301.40	305.80
Peugeot Cit	574	562	568	566
Pinault-Print	2406	2310	2350	2408
Promodes	1475	1459	1468	1460
Renault	120	117.40	119.80	119.70
Rexel	1814	1710	1730	1775
Rh-Poulenc A	182.70	177.50	180.50	180.50
Roussel-Uclaf	1515	1510	1515	1518
Sanofi	562	541	547	565
Schneider	273	268	271	276
SEB	1134	1095	1134	1120
SGS Thomson	389.90	381	389.50	385.80
Ste Generale	614	606	612	612
Sodexho	2800	2736	2763	2788
St Gobain	818	792	812	818
Suez	253.50	246.20	249	248
Synthelabo	590	571	589	589
Thomson CSF	165	162.60	162.40	165.40
Total B	479.50	468.20	471.50	474.10
Usinor	77	75	75.80	75.85
Valeo	361.70	357.10	359	363.50

São Paulo
Bovespa index: 77369.10 — Previous: 78497.90

	High	Low	Close	Prev.
Bradesco Pfd	8.60	8.30	8.40	8.40
Brahma Pfd	632.00	616.00	625.00	615.00
Cemig Pfd	43.80	42.55	43.01	43.90
CESP Pfd	50.50	50.00	50.10	50.50
Copel	14.00	13.70	13.98	13.90
Eletrobras	423.00	413.00	415.00	423.00
Itaubanco Pfd	477.50	473.00	477.50	475.00
Light Servicios	371.00	362.00	365.00	373.00
Lightpar	278.50	276.00	278.50	278.00
Petrobras Pfd	190.00	187.00	189.00	190.00
Telebras Pfd	90.00	88.40	88.60	90.10
Telemig	142.00	139.00	141.50	144.00
Telerj	144.00	143.00	143.50	147.00
Telesp Pfd	238.01	236.00	236.51	239.00
Unibanco	34.50	34.10	34.30	35.30
CVRD Pfd	23.51	22.80	22.80	23.44

Seoul
Composite index: 663.56 — Previous: 662.85

	High	Low	Close	Prev.
Dacom	100000	97000	98000	97000
Daewoo Heavy	5210	5040	5100	5200
Kia Motors	16400	15800	16400	16200
Korea El Pwr	27500	26900	27400	26900
Korea Exch Bk	6990	6570	6620	6800
Korea Mob Tel	527000	510000	525000	510000
LG Semicon	20400	19700	20100	19600
Pohang Iron St	41500	40500	41300	40500
Samsung Elec	48000	45800	47100	45500
Shinhan Bank	10800	10500	10500	10400

Singapore
Straits Times: 2228.12 — Previous: 2226.38

	High	Low	Close	Prev.
Asia Pac Brew	8.10	8	8	8.20
Cerebos Pac	10.50	10.40	10.40	10.50
City Devlts	13.80	13.50	13.80	13.50
Cycle Carriage	16.30	16	16.30	16
Dairy Farm Intl*	0.78	0.77	0.78	0.79
DBS foreign	19.10	18.50	18.90	18.50
DBS Land	5.65	5.55	5.65	5.65
Far East Leving	7.05	6.95	7	7.10
Fraser & Neave	13.80	13.60	13.60	13.60
HK Land*	2.80	2.77	2.80	2.81
Jard Matheson*	6.10	5.90	6.10	5.95
Jard Strategic*	3.34	3.28	3.32	3.32
Keppel	11.30	11.10	11.20	11.10
Keppel Bank	4.12	4.10	4.12	4.10
OCBC foreign	19.30	18.60	19.20	18.60
OS Union Bk F	11.20	11.10	11.20	11.10
Parkway Hdgs	5.50	5.40	5.45	5.45
Sembawang	7.90	7.80	7.80	7.80
Sing Air foreign	13.30	13.20	13.30	13.20
Sing Land	8.50	8.40	8.45	8.45
Sing Press F	27.20	26.70	27	26.60
Sing Tech Ind	3.70	3.62	3.70	3.64
Sing Telecomm	3.28	3.26	3.28	3.30
Straits Steam	4.90	4.82	4.82	4.88
Tat Lee Bank	3.44	3.42	3.42	3.44
Utd Industrial	1.21	1.19	1.19	1.19
Utd O'Sea Bk F	16.40	16.20	16.30	16.30
Wing Tai Hdgs	4.42	4.38	4.40	4.38

*: In U.S. dollars.

Stockholm
SX 16 index: 2657.32 — Previous: 2706.86

	High	Low	Close	Prev.
AGA B	107	106	107	107
ABB A	888	874	878	877
AssiDoman	180	176.50	177.50	180
Astra A	339.50	336	337	340
Atlas Copco A	168	165.50	167	168
Autoliv	320	316	320	319
Electrolux B	441	433	434	442
Ericsson B	237.50	231.50	233	240.50
Hennes B	1135	1080	1091	1115
Incentive A	505	496	496.50	500
Investor B	329	324.50	324.50	327
MoDo B	206	199	202	207
Nordbanken	236	231.50	232	234
Pharm/Upjohn	268.50	266	266.50	270
Sandvik B	185.50	184	184	185.50
Scania B	188	124.50	185	188
SCA B	144	143	144	144.50
S-E Banken A	73.50	71.50	72	74
Skandia Fors	193	189	190	195
Skanska B	313	307.50	309	313
SKF B	168.50	166	167.50	169
Sparbanken A	116	114.50	115	117
Stadshypotek A	189	188.50	188.50	188.50
Stora A	95.50	92.50	93.50	95
Sv Handles A	185.50	182.50	183	186
Volvo B	177	172.50	172.50	178.50

Sydney
All Ordinaries: 2414.20 — Previous: 2404.20

	High	Low	Close	Prev.
Amcor	8.17	8.11	8.13	8.10
ANZ Bking	8.12	8.04	8.07	8.03
BHP	18	17.90	17.97	17.87
Boral	3.43	3.39	3.43	3.38
Brambles Ind.	22.30	22	22.10	22.25
CBA	12.67	12.55	12.55	12.54
CC Amatil	12.95	12.87	12.92	12.92
Coles Myer	5.03	4.99	5.02	5
Comalco	6.50	6.42	6.46	6.58
CRA	19.17	19.05	19.10	19.02
CSR	4.43	4.27	4.43	4.29
Fosters Brew	2.57	2.53	2.56	2.54
Gen Prop Trust	2.43	2.40	2.41	2.40
GIO Australia	3.32	3.26	3.32	3.28
Goodman Fld	1.62	1.59	1.62	1.59
ICI Australia	12.55	12.35	12.40	12.55
John Fairfax	2.86	2.82	2.85	2.82
Lend Lease	22.65	22.45	22.50	22.65
Mayne Nickless	7.86	7.79	7.83	7.80
MIM Hdgs	1.79	1.75	1.77	1.77
Nat Aust Bank	15.84	15.66	15.67	15.71
Nat Mutual Hdg	1.77	1.75	1.77	1.76
News Corp	6.71	6.66	6.68	6.68
Normandy Min	1.63	1.59	1.61	1.63
North Ltd	3.87	3.81	3.85	3.85
Pacific Dunlop	3.15	3.08	3.15	3.09
Pioneer Intl	3.82	3.69	3.82	3.70
Pub Broadcast	6.55	6.49	6.54	6.51
Qantas Airways	2.31	2.28	2.28	2.31
Santos	4.72	4.63	4.71	4.63
Southcorp	4.37	4.23	4.31	4.25
Westfarmers	8.82	8.70	8.78	8.76
WMC	8.28	8.11	8.13	8.16
Westfield Trust	2.41	2.39	2.41	2.40
Westpac Bking	7.55	7.35	7.51	7.34
Woodside Pet	9.15	9.07	9.10	9.10
Woolworths	3.28	3.20	3.28	3.19

Taipei
Stock Market index: 7149.54 — Previous: 7146.21

	High	Low	Close	Prev.
Cathay Life Ins	175	174	174	174
Chang Hwa Bk	167	165	165	166
Chiao Tung Bk	80.50	79.50	80	79.50
China Develpmt	87.50	87	87	87
China Steel	25.30	25	25.10	25.20
First Bank	174	172	174	172
Formosa Plastic	68.50	67.50	68	67.50
Hua Nan Bk	142.50	141	141	141
Intl Comm Bk	83	81.50	81.50	82
Nan Ya Plastics	64.50	63.50	64	63.50
Shin Kong Life	107	105.50	105.50	106
Taiwan Semi	56.50	56	56	56
Tatung	52.50	51.50	51.50	52.50
Utd Micro Elec	38.40	38	38	38.10
Utd World Chin	69.50	69	69.50	69

Tokyo
Nikkei 225: 18335.30 — Previous: 17796.57

	High	Low	Close	Prev.
Ajinomoto	1050	991	1040	1030
All Nippon Air	775	752	775	757
Asahi Bank	780	741	780	765
Asahi Chem	642	627	635	635
Asahi Glass	1060	1040	1060	1040
Bk Tokyo Mitsu	1760	1670	1760	1700
Bk Yokohama	625	617	625	625
Bridgestone	2120	2070	2120	2120
Canon	2650	2570	2630	2570
Chiba Bank	710	692	710	701
Chubu Elec	2280	2230	2250	2280
Chugoku Elec	2190	2140	2140	2210
Daiei	837	805	827	850
Daiichi Kang	1260	1170	1250	1200
Daiwa Bank	495	475	495	479
Daiwa House	1420	1380	1400	1410
Daiwa Sec	946	930	946	940
Denso	2550	2470	2550	2500
Fanuc	3390	3300	3390	3400
Fuji Bank	1240	1170	1210	1190
Fuji Photo	3580	3530	3580	3490
Fujitsu	1240	1220	1240	1220
Hitachi	1070	1050	1060	1060
Honda Motor	3340	3260	3330	3230
IBJ	1550	1490	1530	1510
IHI	480	442	480	462
Itochu	540	533	539	535
Ito-Yokado	5700	5410	5620	5340
JAL	510	492	507	497
Jusco	3310	3230	3290	3200
Kajima	735	705	730	698
Kansai Elec	2260	2200	2230	2260
Kao	1270	1230	1270	1230
Kawa Steel	295	279	291	285
KDD	7500	7210	7360	7480
Kinki Nipp Ry	724	718	720	722
Kirin Brewery	1040	1010	1040	1010
Kobe Steel	218	207	216	212
Komatsu	839	806	834	830
Kubota	545	515	545	530
Kyocera	6900	6800	6880	6620
Kyushu Elec	2170	2140	2160	2200
LTCB	464	451	464	460
Marubeni	475	450	472	459
Marui	1840	1620	1740	1590
Matsu Elec Ind	1800	1760	1800	1770
Matsu Elec Wk	1060	1040	1060	1050
Mitsubishi	1090	1060	1090	1050
Mitsubishi Ch	335	313	335	330
Mitsubishi El	695	680	693	668
Mitsubishi Est	1370	1270	1350	1280
Mitsubishi Hvy	878	855	877	869
Mitsubishi Mat	918	908	908	908
Mitsubishi Tr	1210	1120	1200	1120
Mitsui	880	869	879	869
Mitsui Fudosn	1280	1190	1270	1200
Mitsui Trust	740	699	731	718
Murata Mfg	3820	3690	3770	3670
NEC	1450	1420	1430	1420
Nikko Sec	771	753	770	765
Nintendo	7550	7500	7550	7570
Nipp Credit Bk	222	210	222	219
Nipp Express	698	681	695	687
Nippon Oil	541	528	541	528
Nippon Paper	570	525	549	536
Nippon Steel	301	292	299	292
Nippon Yusen	469	460	463	466
Nissan Motor	733	712	733	729
NKK	249	241	243	231
Nomura Sec	1540	1510	1540	1510
NTT	8760a	8630a	8750a	8730a
Obayashi	690	661	685	673
Odakyu El Ry	640	616	640	614
Ono Pharm	3550	3500	3540	3500
Osaka Gas	316	306	316	310
Ricoh	1360	1330	1350	1330
Sakura Bk	679	653	675	664
Sankyo	3250	3180	3250	3140
Sanwa Bank	1350	1290	1350	1310
Sanyo Elec	511	495	510	490
Secom	6460	6420	6460	6440
Seibu Rwy	4250	4170	4210	4150
Sekisui House	1080	1040	1070	1080
Seven-Eleven	7030	6950	6990	7000
Sharp	1570	1540	1540	1520
Shimizu	755	721	751	735
Shin-etsu Ch	2200	2170	2200	2160
Shizuoka Bk	1060	1020	1050	1040
Sony	8270	8080	8250	7990
Sumitomo	925	883	910	883
Sumitomo Bk	1310	1250	1310	1270
Sumit Chem	425	413	425	417
Sumitomo Elec	1620	1600	1610	1600
Sumit Metal	261	257	260	256
Sumit Trust	919	871	893	870
Taisei	530	519	526	518
Taisho Pharm	2770	2730	2770	2780
Takeda Chem	2400	2320	2390	2340
TDK	7720	7480	7720	7400
Tohoku El Pwr	2090	2040	2040	2120
Tokai Bank	930	900	923	906
Tokio Marine	1090	1020	1090	1020
Tokyo El Pwr	2360	2310	2320	2380
Tokyo Gas	309	301	309	305
Tokyu	556	537	556	548
Tonen	1250	1170	1250	1220
Toppan Print	1420	1360	1410	1350
Toray Ind	700	670	695	675
Toshiba	713	703	707	693
Toyo Seikan	3100	2870	3100	2950
Toyo Trust	793	768	793	785
Toyota Motor	3230	3190	3230	3210
Yamaichi Sec	445	432	445	443
Yamanouchi	2280	2250	2280	2270
Yasuda Fire	539	513	538	510
Yasuda Trust	356	349	352	349

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Toronto
TSE Industrials: 6071.28 — Previous: 6046.71

	High	Low	Close	Prev.
Abitibi Price	21.60	21	21.60	21.15
Alberta Energy	33.90	33½	33½	33¾
Alcan Alum	46.85	46.15	46¾	46.10
Anderson Expl	18.55	18.40	18¼	18.45
Bk Montreal	46	45.70	45.95	45.90
Bk Nova Scotia	46.80	46½	46.80	46.40
Barrick Gold	37.10	36¾	37.05	36.85
BCE	67	66.70	67	66¾
BC Telecomm	29.80	29.55	29.80	29.60
Biochem Pharm	75	74	75	72.65
Bombardier B	25.55	25¼	25.45	25.10
Brascan A	30.85	30½	30.70	30.90
Bre-x Minerals	22¼	21.55	21.65	21.70
Cameco	57	56.30	56.40	57
CIBC	60¼	59.95	60.15	59.95
Cdn Natl Rail	54½	53¾	53.95	54.40
Cdn Nat Res	38¼	37¾	38.20	37.85
Cdn Occid Pet	25.05	24.70	25	24.70
Cdn Pacific	36¼	36.35	36¾	36.60
Cominco	38.40	38	38.10	38.40
Dofasco	25.30	25.05	25.20	25.40
Domtar	12.10	12.05	12.05	12.10
Donohue A	25	24¼	25	24½
Du Pont Cda A	32	31.80	32	31¼
Edper Group	21.20	21	21.10	21.10
EuroNev Mng	36¼	36.10	36½	36.85
Fairfax Finl	295	293	295	295
Falconbridge	31	30.90	31	30.90
Fletcher Chall A	21¼	21¼	21¼	21.80
Franco Nevada	60.20	58	59.70	60
Gulf Cda Res	11.70	11.40	11½	11.60
Imperial Oil	65	63.60	65	64
Inco	45¼	44.70	45.20	44.70
IPL Energy	40.10	39¾	39.95	40.15
Laidlaw B	17.95	17.80	17.90	17.95
Loewen Group	48.55	48	48.20	48½
Macmill Bldl	18.30	17.80	18.10	18
Magna Intl A	76	74.85	75.60	75.35
Methanex	13.10	12.85	12.95	13.10
Moore	28.05	27½	28.05	27¾
Newbridge Net	45.10	44	44.85	43.80
Noranda Inc	32.15	31.70	32.15	32.05
Norcen Energy	33	32.60	32.80	32.65
Nthern Telecom	94	92.15	94	93.90
Nova	12¾	12½	12.65	12.80
Onex	23.15	22.95	23.05	23
Pancdn Petlm	58.70	58.10	58.70	58¼
Petro Cda	21.20	21	21.15	21.15
Placer Dome	28.60	27.55	28.60	27.90
Poco Petlm	15.20	15.05	15.15	15.10
Potash Sask	114	113	112.70	112
Renaissance	45¾	45.20	45.35	45.45
Rio Algom	32.55	32	32	32½
Rogers Comtel B	28	27.60	27.60	28.10
Seagram Co	54¼	52.70	53.40	53.30
Shell Cda A	54	53	53½	53¼
Stone Consold	20.30	20.05	20.15	20.05
Suncor	62½	61¾	61¾	62.10
Talisman Eny	46.35	45.90	46.30	46
Teck B	32	31.30	32	31.60
Teleglobe	38.40	38.30	38.40	38.30
Telus	19.60	19.40	19¾	19.65
Thomson	28.40	27¾	28.40	27.95
TorDom Bank	36.95	36.85	36.95	36.95
Transalta	16¼	16	16¼	16.20
TransCda Pipe	24.15	23.90	24.10	24
Trimark Finl	43¾	43	43½	43
Trizec Hahn	31.60	30.80	31.60	30.95
TVX Gold	10.85	10.55	10.85	10.70
Westcoast Eny	23.30	23.10	23¼	23.10
Weston	74½	73	74½	73¾

Vienna
ATX index: 1172.87 — Previous: 1172.94

	High	Low	Close	Prev.
Aust Airlines	1840	1840	1840	1830
Brau-Un Goess	662	646	662	655
Bund Vers Pfd	393	393	393	400
Creditanst Pfd	436.30	422	422.10	428
EA-Generali	3330	3280	3280	3275
EVN	1774	1749	1749	1759.95
Interunfall	1490	1490	1490	1490
Lenzing	626	615	626	615
Leykam	302	294.10	300.10	297.10
Mayr-Melnhof	571.50	568	570	570
OMV	1325.15	1296	1300	1319.90
Oest Brau	799	788	798	799
Oest Elektriz	850.20	832	849	837
VA Tech	1749	1713.20	1722	1714
Wienerberger	2185	2153	2170	2164

Wellington
NZSE-40 index: 2292.60 — Previous: 2278.47

	High	Low	Close	Prev.
Air N Zeald B	2.69	2.67	2.67	2.69
Brierly Invt	1.35	1.33	1.34	1.33
Carter Holt ord	3.39	3.35	3.38	3.34
Fernz	5.05	4.95	4.95	5.05
Fisher Paykel	5.32	5.29	5.29	5.30
FC Forest	2.25	2.21	2.21	2.21
Goodman Fder	1.78	1.76	1.78	1.77
Indep News	6.90	6.87	6.88	6.90
Lion Nathan	3.79	3.70	3.79	3.68
Nat Gas note	2.40	2.38	2.38	2.40
NZ Refining	29.50	29.50	29.50	29.60
Telecom NZ	7.45	7.38	7.43	7.35
Wilson Horton	11.40	11.40	11.40	11.40

Zurich
SPI index: 2666.49 — Previous: 2676.67

	High	Low	Close	Prev.
Adecco B	401	394	399.50	407
Alusuisse R	1155	1144	1150	1157
Ares-Serono B	1465	1440	1460	1460
Baloise Hdg R	2865	2805	2815	2865
ABB B	1762	1750	1761	1756
BK Vision	759	750	757	758
Bobst B	1915	1890	1915	1905
CS Holdings R	143.75	140.75	143.75	141.50
Elektrowatt B	541	539	540	541
Fischer B	1489	1481	1482	1482
Hilti PC	918	910	917	918
Holderbank B	1023	1010	1010	1024
Jul. Baer Hdg B	1461	1445	1454	1447
Nestle R	1507	1489	1500	1504
Novartis R	1614	1587	1605	1614
Oerlikon R	146	144.50	145.50	145.75
Pargesa Hld B	1502	1485	1485	1502
PharmVisn B	693	680	685	690
Pirelli B	215	208	215	214.50
Roche Hdg PC	12000	11830	11900	12020
SBC R	256	250	255	251.50
Schindler B	1520	1490	1509	1530
SGS B	3200	3155	3185	3200
SMH B	969	956	960	965
Sulzer R	972	950	960	935
Swiss Reins R	1384	1374	1374	1385
Swissair R	1285	1271	1282	1267
UBS B	1197	1183	1185	1195
Valora Hdg R	282	276	279	275
Winterthur R	859	839	844	852
Zurich Assur R	388	379.50	386.50	381.50

The Trib Index
Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	148.69	+0.23	+0.16	+12.75
Regional Indexes				
Asia/Pacific	110.12	+0.48	+0.44	–17.98
Europe	158.90	-1.62	–1.01	+14.17
N. America	172.00	+2.81	+1.66	+34.08
S. America	125.63	-1.24	–0.98	+41.09
Industrial Indexes				
Capital goods	176.93	+1.89	+1.08	+33.15
Consumer goods	164.48	+0.56	+0.34	+19.13
Energy	175.77	+0.49	+0.28	+29.60
Finance	108.08	+0.11	+0.10	–15.05
Miscellaneous	164.00	-1.46	–0.88	+20.76
Raw Materials	175.74	+0.41	+0.23	+23.94
Service	136.08	-0.69	–0.50	+13.40
Utilities	140.20	-1.92	–1.35	+10.27

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — Compiled by Bloomberg News.

NYSE

Wednesday's 4 p.m. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

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THE WORLD'S DAILY NEWSPAPER

Continued on Page 16

ASIA/PACIFIC

Seoul Opens Inquiry Into Hanbo Creditors

Compiled by Our Staff From Dispatches

SEOUL — South Korean authorities opened a special inquiry Wednesday into the main creditor banks of the debt-stricken Hanbo Group and questioned the conglomerate's top executives over a loan scandal.

A state regulatory agency, the Office of Bank Supervision, said the inquiry into four leading commercial banks and a state-run bank would focus on whether they followed regulations in offering huge loans to Hanbo Steel and General Construction Co., the flagship of South Korea's 14th largest conglomerate.

In addition, the agency warned the presidents of banks that lent money to Hanbo that they could be asked to resign.

The warning, which could lead to a massive shake-up within Korean banks, came as Parliament scheduled a special debate on the Hanbo collapse and as a specially formed prosecution team continued to question more than 30 company and bank executives.

Opposition parties, calling the loans the biggest financial scandal in the country's history, have accused the government of peddling influence to pressure creditor banks into offering loans to Hanbo without adequate collateral.

State prosecutors said they had questioned six Hanbo officials on how the foundering steelmaker secured billions of dollars to finance construction of a steel mill.

Hanbo Steel, South Korea's second largest steelmaker, filed for court receivership Tuesday after piling up about five trillion won ($5.8 billion) of loans from 61 banks and financial institutions.

On Wednesday, Hanbo applied for court receivership for two more troubled subsidiaries, Hanbo Energy and Sang-A Pharmaceutical Co.

The regulatory agency said the five banks being investigated were Korea First Bank, Cho Hung Bank, Korea Exchange Bank, SeoulBank and the state-run Korea Development Bank.

"A team comprising seven investigators has been sent to each of the five banks," a spokesman for the office said. "If a serious violation is found, severe punishment would be slapped on the banks and their management."

Standard & Poor's Corp. said it placed Korea First Bank, which has the largest exposure to Hanbo, with loans totaling 1.08 trillion won, on a watch list to reflect concerns over its deteriorating asset quality.

Korea First Bank, Cho Hung, Korea Exchange and Korea Development Bank lent $3.4 billion to Hanbo Steel, which had equity of just $236 million.

A senior prosecutor, Choi Byung Koog, said more than 30 prosecutors sifted through Hanbo documents seized by the police from offices of Hanbo Steel and its 15 affiliates.

He said he hoped the prosecution investigation would end within two weeks, although it could last longer.

President Kim Young Sam ordered an investigation Monday into the Hanbo case, which has put his anti-corruption drive on the line. After coming to power in 1993 on an anti-graft ticket, Mr. Kim promised to sever corrupt alliance between politics and business.

Mr. Kim sent two former presidents, Chun Doo Hwan and Roh Tae Woo, to trial for accepting huge sums from businessmen in exchange for favors. Mr. Chun is now serving a life sentence; Mr. Roh, a 17-year jail term.

(Reuters, Bloomberg, AFP)

An Insurance Boom for India?

Foreign Firms Hope for End to State Monopoly

Bloomberg News

BOMBAY — Like many Indians, Dattatray Bhanap hopes the government will end its 24-year-old insurance monopoly next month.

Mr. Bhanap, 65 and a civil engineer, is angry that New India Assurance, a unit of General Insurance Corp., a state-run company, refused to refund him 3,000 rupees ($83.63) for outpatient treatment for a thyroid condition. He had not checked the small print that said his policy only covered hospitalization.

"They put the terms in such a way that they can wriggle out of paying," Mr. Bhanap said. "They don't follow the spirit of insurance. Being a government company they want to find a reason to reject you."

India, with a population of 950 million, could be the next growth market for the insurance industry.

Mr. Bhanap and others say that foreign alternatives to General Insurance and its sister company, Life Insurance Corp., would provide quicker, easier and more useful insurance.

Foreign insurance companies, attracted by a $5.7 billion market that grew 20 percent last year, aim to do just that. With China still reluctant to allow many foreign companies to sell insurance to the masses, India's population of 950 million is shaping up as the industry's next growth market.

India's coalition government is considering ending its monopoly in the expectation that foreign insurers would bring much-needed investment to its stock markets and infrastructure.

"You've got to regard it as a gigantic event," said Derek Stott, the India representative of Prudential Corp., Britain's largest life insurer. "The numbers involved are enormous. If the economy develops, there is substantial potential in the medium to long term."

The government said last year it would announce reforms before next month's budget was unveiled, although foreign investors are accustomed to the coalition delaying controversial decisions because it cannot reach a consensus.

Moves to raise gasoline prices and allow foreign airlines to fly domestic routes have been repeatedly postponed.

Few, however, predict an immediate bonanza.

Prudential expects the life-insurance market to triple if the government ends its monopoly. About one in 16 Indians has a policy, compared with one-fifth of people in other developing Asian countries.

Zurich Life Insurance Co., Switzerland's biggest insurer, expects nonlife operations to be profitable within four years and life insurance within 10 years.

Prudential was among more than 100 insurers thrown out of India in 1973 when the government nationalized the industry. It has applied to open a representative office and hopes it will be allowed to sell policies again this year.

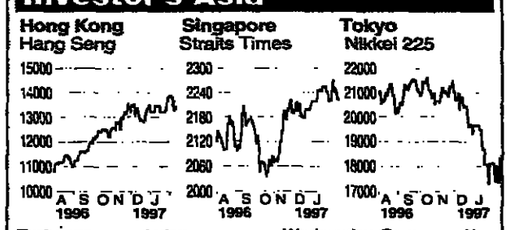
If the government proceeds with liberalization, insurers expect it to award between six and 12 general-insurance licenses and a comparable number of life-insurance licenses.

Many British companies are making plans for India, as many of them were operating in the former British colony for more than a century before the industry was nationalized.

Royal & Sun Alliance Holdings PLC, which had 20 percent of the market among foreign insurers at the time of nationalization, has chosen a local partner, a manufacturer called DCM Shriram, because the government is unlikely to allow wholly owned foreign units in such a politically sensitive industry.

Many insurers say they need a local partner anyway, for its local knowledge and, in some cases, political power. The families that control India's largest companies often have close links to senior politicians.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,285.43	13,403.29	-0.88
Singapore	Straits Times	2,220.12	2,226.30	-0.28
Sydney	All Ordinaries	2,414.20	2,404.20	+0.42
Tokyo	Nikkei 225	18,335.30	17,796.57	+3.03
Kuala Lumpur	Composite	1,212.55	1,228.89	-1.33
Bangkok	SET	814.39	845.63	-3.69
Seoul	Composite Index	663.56	662.85	+0.11
Taipei	Stock Market Index	7,149.54	7,146.21	+0.05
Manila	PSE	3,373.61	3,341.99	+0.95
Jakarta	Composite Index	691.34	689.97	+0.20
Wellington	NZSE-40	2,392.60	2,378.47	+0.59
Bombay	Sensitive Index	3,525.97	3,604.20	-2.17

Source: Telekurs International Herald Tribune

Very briefly:

• **Samsung Electronics Co.**, the world's biggest computer-chip producer, denied speculation that it would join with other South Korean semiconductor manufacturers to cut production to try to raise prices.

• **Japan's** "misguided policies" will cause a slowdown in the economic recovery this year, said Yoshio Suzuki, the economic policymaker for the opposition New Frontier Party.

• **United Parcel Service of America Inc.**, a leading package-delivery service, plans to transfer its Asian hub to Manila from Singapore to cut costs.

• **Taiwan's** speculative shares tumbled after it was disclosed that prosecutors had detained Tan Ching-lien, the host of a television show that provided stock-market advice, in a stock-manipulation inquiry. The broad Taipei market was calm, and analysts called that a sign of the market's maturity.

• **PT Telekomunikasi Indonesia**, the state-owned telecommunications firm, will invest about 4.3 trillion rupiah ($1.8 billion) on upgrading services in the year beginning April 1.

Bloomberg, AP, Reuters, AFP

Suharto Firm Seeks Indocopper

Bloomberg News

JAKARTA — An investment company controlled by President Suharto said Wednesday that it had bid $311 million to take control of PT Indocopper Investama, which owns a piece of the world's largest copper and gold mine. The bid sent shares of PT Bakrie & Brothers, a diversified company that is one of two large shareholders in Indocopper, up 25 rupiah, or 2.1 percent, to 1,200 rupiah (51 U.S. cents) on speculation it would accept the offer.

"Bakrie is selling," said Mahmoud Gaemmaghami, head of Research at WestDeutsche Landesbank in Singapore. "It's a good price, and it's going to leave the company with the room to invest in its existing promising businesses." PT Nusantara Ampera Bhakti (Nusamba) said it had offered 68,988 rupiah each for 10.8 million shares, or 50 percent, of Indocopper. Indocopper owns 9.36 percent of PT Freeport Indonesia, which owns and operates the Grasberg mine in the Indonesian province of Irian Jaya.

Accord on China Light Pulls Down CITIC

Bloomberg News

HONG KONG — CITIC Pacific Ltd. has just shown that the government contacts that come with being China's largest overseas company pay bigger political than economic dividends.

CITIC paid 16.25 billion Hong Kong dollars ($2.1 billion) Wednesday for 20 percent of China Light & Power Co., adding Hong Kong's second-worst-performing 1996 benchmark stock to its lackluster portfolio.

CITIC's shareholders were not impressed.

"CITIC is increasingly becoming an investment holding company — holding the three lowest-growth companies in Hong Kong," said Andrew Look of Prudential Portfolio Managers Asia, which has been selling CITIC shares from the $2 billion of assets it manages.

The stock fell to a two-month low as investors bet the company was losing its cachet as a "red-chip" — the common designation for Chinese investment companies in Hong Kong. These companies were the hottest Hong Kong stocks last year, rising 93.5 percent as a group, as their parent companies sold them assets at favorable prices and guided rich contracts to them. CITIC's shares closed at 38.50 dollars, down 1.

Returns on CITIC's investments in Hong Kong's largest telephone company and airline have underperformed those from other benchmark stocks as CITIC brought little new business to any of the companies. Critics of the strategy say CITIC is being used as a vehicle for China to control strategic industries in Hong Kong no matter how meager the financial reward.

"This brings back the whole argument of CITIC doing as Beijing tells it to do instead of what makes commercial sense," said Steven Thompson, director of research at Nikko Securities Ltd.

"It looks more like a utility holding company now than a red chip," said Ambrose Chang, chief investment officer at Daiwa International Capital Management Ltd., which is also selling CITIC from its $1.2 billion holdings in Asia. "There must be a political reason behind it."

San Miguel's Profit Drops

Bloomberg News

MANILA — San Miguel Corp., the Philippines' largest food and beverage maker, said Wednesday that net income, excluding one-time gains, dropped to 5.26 billion pesos ($200.5 million) in 1996, from 5.38 billion pesos in 1995.

The company's pretax profit, however, fell 2.2 percent in 1996 as a fourth-quarter surge in earnings failed to offset high raw material prices, rising expansion costs and a slump in beer sales.

The results were in line with analysts' expectations. San Miguel's earnings are among the most closely watched in the Philippines because the company's sales are viewed as a barometer for consumer spending. It generates about 4 percent of the country's economic output.

INFLATION: U.S. Offers Bonds That Keep Up With Cost of Living

Continued from Page 11

the Wharton School of the University of Pennsylvania, has declared himself "most enthusiastic about inflation-indexed bonds." Mr. Siegel, best known as the author of "Stocks for the Long Run," a 1994 book arguing that stocks were the best long-term investment, notes that a major problem with bonds in recent decades has been their exposure to inflation, which can demolish the principal of normal bonds.

The new bonds will work like this:

While they will be sold in initial amounts of $1,000, as with other Treasury notes and bonds, that principal amount will be adjusted daily, based on changes in the consumer price index three months earlier. The increases for each day of the month, when added together, will be enough to offset the monthly rise in prices.

If the bond carries a 3.5 percent coupon rate — and that will be determined in Tuesday's auction — every six months it will pay half that amount, or 1.75 percent, on the then current principal value. So, assuming that consumer prices continue rising, every six months the coupon payment will be a little higher. At the end of 10 years, the buyer will get back the inflated principal. To the extent the consumer price index is an accurate gauge of inflation, the money returned will be worth just as much as the $1,000 invested in 1997.

Since the interest that was paid also rose with inflation, the investor will have received — pretax — a real, inflation-adjusted return of the amount promised when the bond was sold. "For the first time," Treasury Secretary Robert Rubin said, "the United States is offering investors protection from inflation."

Until Wednesday, about the only option for investors truly worried about inflation was buying short-term securities like Treasury bills, whose rates tend to rise when inflation fears grow. But their rates are in effect for only a few months and they provide a lower yield than would be expected from longer-term, inflation-indexed securities.

At Wednesday's auction, the betting is that most of the buying will be from Wall Street and from two types of institutional investors: pension funds, whose ultimate obligation — payments to retirees — is closely tied to inflation, and endowments, which seek to preserve their principal while spending the income.

Individuals who wanted to buy at Wednesday's auction could have done so through brokers, or directly from any Federal Reserve Bank, until noon Eastern standard time Wednesday. But the expectation is that relatively little of the issue will go to individuals.

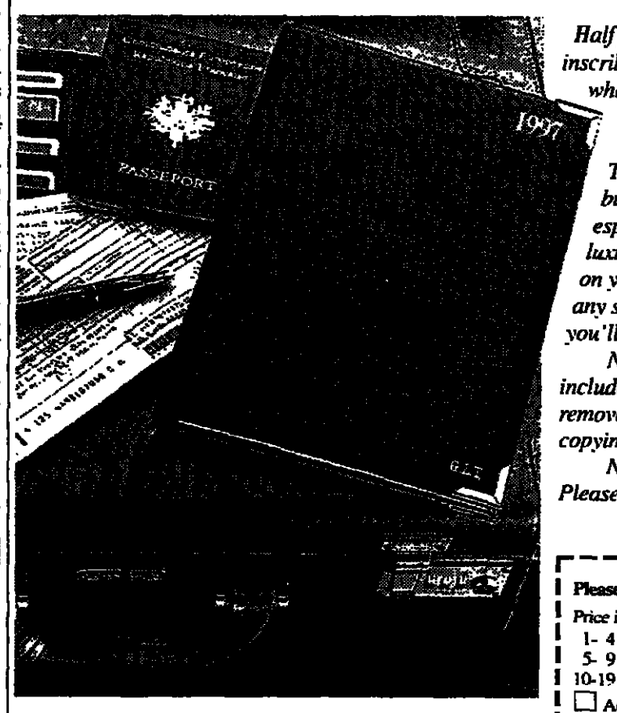
If so, that may be too bad. It appears that the auction will effectively be charging what amounts to a very small premium for giving investors insurance against inflation, said Gerald Lucas, a government bond strategist for Merrill Lynch.

There are three likely reasons for low individual demand. The first is unfamiliarity with the product. The second is that inflation is not very scary right now, and the final one is the tax treatment of the bonds.

An investor must pay tax each year not just on the interest that has been received, but on the rise in the principal value, even though the cash from that increase will not come in for years. As a result, the bonds are better suited for tax-deferred retirement accounts.

For now, few investors can put such securities into 401(k) retirement accounts, which normally restrict investor options to a menu that changes infrequently. But both Dreyfus and the Benham group of American Century have announced plans for mutual funds that will buy these securities, so they will become available for at least some such accounts.

The IHT Desk Diary For the time of your life.



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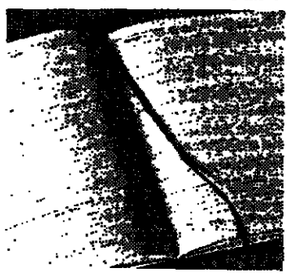

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Herald International Tribune
SPORTS

WORLD ROUNDUP

Doe Ernment/AFP

THAT'S A TOUGH ONE — Mike Ditka answering reporters' questions after he was named coach of the Saints.

England for Celtic?

SOCCER The Scottish soccer giant Glasgow Celtic confirmed Wednesday that it had studied the possibility of joining the English Premier League, but the chances of such a move appear remote.

A report in a Glasgow newspaper suggested that Celtic had considered buying up an English Premier League club, such as Wimbledon, and taking its place, but remaining based in Glasgow.

Celtic's owner, Fergus McCann, confirmed that the move had been discussed, but said a switch to some kind of European league would be more likely.

"Midweek European football is certainly on the way, and that is something Celtic very much want to be part of," said McCann, who rescued the club from bankruptcy three years ago. *(AP)*

Tax Trouble in Dallas

FOOTBALL The Internal Revenue Service claims that the Dallas Cowboys' owner, Jerry Jones, and his wife owe $8.3 million in back taxes and penalties from 1992, the Fort Worth Star-Telegram reported Wednesday. The paper said Jones and his wife, Gene, were contesting the matter in U.S. Tax Court. *(AP)*

An Arc Over the World

BASKETBALL Plans to extend the three-point scoring arc have been drawn up by the world technical commission of FIBA, international basketball's governing body.

The commission wants the line pushed out 45 centimeters, to 6.70 meters from 6.25, to come in line with the NBA in the United States, a FIBA spokesman said Wednesday. The proposal, making it slightly harder to score three-pointers, will now be submitted to FIBA's secretary-general. *(Reuters)*

Still Streaking in China

SOCCER The United States' losing streak stretched to four, its longest since 1994, when the Americans lost to China, 2-1, in an exhibition match in Kunming. The Americans lost to Peru, Mexico and Denmark in the U.S. Cup '97 tournament this month. *(Reuters)*

Alphand Edges Strobl In Super-Giant Slalom

The Associated Press

LAAX, Switzerland — After three downhill victories this season, Luc Alphand of France claimed the first World Cup super-giant slalom victory of his skiing career Wednesday.

In near-perfect conditions, Alphand, the World Cup downhill champion, blazed down the sunny course in one minute 25.23 seconds to record his 10th career victory.

He edged Josef Strobl of Austria, who was second in 1:25.35. Peter Runggaldier of Italy climbed the podium for the first time this season, taking third in 1:25.63.

"It's great, my first super-G win," said the 31-year-old Alphand, a winner in Kitzbuehel, Austria, last weekend.

Strobl, who had already qualified for the downhill team at the world championships that begin Monday in Sestriere, Italy, said he was worried before the race because he had not yet qualified for the super-G squad at the worlds.

Already leading the downhill standings, Alphand has also shot to the top of both the super-G and overall World Cup rankings. He leads the super-G standings with 132 points, while Hans Knaus, who won the other race in Val d'Isere, France, earlier in the season sits second with 111.

Alphand, with 737 points overall, took the lead away from Andre Kjetil Aamodt of Norway, who slipped to second with 717. Alphand's downhill arch-rival, Kristian Ghedina of Italy, is third with 649.

■ Alpine Skiing Back in the Alps

Alberto Tomba and Deborah Compagnoni, like many Alpine skiers and most Italians, believe there is no place like home.

The two world and Olympic champions will be hoping to prove the point when the two-week Alpine world championships start on Italian snow Monday.

Their names alone will pull the spectators to Sestriere, where Italy hopes home advantage will help it repeat the feat of 1996, when Italians won more golds than any other country.

They will not be the only ones appreciating familiar surroundings. After excursions to the Far East and southern Spain, the Alpine championships are returning to the Alps — to the enormous relief of many competitors.

Morioka in Japan in 1993 was ravaged by wind and bad weather while the Sierra Nevada event had to be moved from 1995 to 1996 for lack of snow.

The exotic experiments over, the sport is once again embracing its heartland in the last big Alpine skiing event in Europe in the 20th century.

In short, Alpine skiing is coming home — in a modernistic resort founded in the 1930s by the Agnelli family on a lonely plateau 2,000 meters (6,600 feet) up in the mountains.

If Sestriere, without the typical Alpine wooden chalets or historic center snuggled around a tall-spired church, lacks the traditional charm, it has plenty of what is needed most: snow. It also has technology, with trails bathed by floodlights ready for night slaloms.

Athletes from a record 58 countries will compete for 10 gold medals.

In an ideal world for the host nation — and one many Italians believe to be entirely possible — Italian skiers will improve on the four golds they won in 1996.

However the Austrians, whose skiers captured just one gold in Sierra Nevada, and the Swiss, who won nothing, are expected to prove far stiffer opponents this time.

The Austrian men have been impressive in all events this season, with Thomas Sykora winning five of the seven slaloms staged on the World Cup circuit so far.

Pernilla Wiberg of Sweden, the winner of two golds in Sierra Nevada, leads the women's overall World Cup while the Norwegian men, so powerful in Morioka, remain a threat. The Swiss are strong in men's giant slalom while their star women's downhiller, Heidi Zurbriggen, is in top form.

Germany's Olympic downhill champion, Katja Seizinger, is another danger.

The Italians look strong in women's events after taking eight races this season and six since the New Year.

Compagnoni, the giant slalom champion in Sierra Nevada, has won four. Isolde Kostner, the world super-G champion, is peaking at just the right point with back-to-back downhill and super-G wins in Cortina d'Ampezzo this month.

There will be a new women's downhill champion because the 1996 winner, Picabo Street of the United States, is injured.

The Italian men, meanwhile, found a new hero in Ghedina, now Italy's most successful downhiller ever.

Ghedina is one of three men — the other two being Alphand and Strobl — to dominate the downhill World Cup and is a leading contender for the showpiece event.

But Tomba, triple Olympic gold medalist and reigning giant and slalom world champion, will be the star attraction at the site of his first World Cup victory in 1987.

His form this season has alarmed his fans, especially after the 30-year-old skier was injured before the season.

"La Bomba," who considered retiring last year but stayed on because of Sestriere, has since completed less than a handful of races but two were second-place finishes. This may or may not be his last major skiing appearance — it depends largely on how he performs in Sestriere.

The expectations are huge in Italy and, with thousands expected to cram the resort to see their heroes compete for the first time in a major competition at home, the enormous pressure could work against them.

"It's going to be a madhouse," Kostner said.

Agence France-Presse

Alphand nearing a turn in his victorious super-giant slalom Wednesday.

Soccer Players In Spain Fear Foreigners — And Future

The Associated Press

MADRID — Spanish soccer players, in a backlash against the rising number of foreigners playing in the country, are warning they might go on strike if things do not change.

Spain has more foreigners in its top league than any other country in Europe, and Spanish players say that is threatening their future.

The so-called Bosman ruling almost 14 months ago, which forced the top leagues in Europe to scrap quotas on players from the 15-member European Union, is not the issue. Spain's unique problem is the huge increase in the number of non-EU players, many from Latin America and Eastern Europe, who often command lower salaries.

According to figures from the Spanish Footballers Association, the Spanish first division has 115 non-EU players compared with 43 in Italy, 29 in England and 16 in Germany. Portugal also has about 100 non-EU players.

"What the players are saying is 'this can't go on,'" said the players' association chief, Gerardo Gonzalez Movilla. He has not called a strike yet, but he did not rule it out.

"We all want to see the likes of Ronaldo and Giovanni here," said Alfonso Perez, the Spanish international and Betis forward, referring to FC Barcelona's two Brazilian aces.

Perez's Nigerian teammate at Betis, Finidi George, had a different view.

"If Betis signed me instead of a national, that's for the club to decide," George said. "Without criticizing anybody, I think I'm better than many nationals."

When EU and non-EU players are counted together, the top Spanish league has 140 foreigners out of a total of 484 players, or 28.9 percent. Germany and Portugal are next at 27.3 percent, followed by Italy at 18.7 percent, France at 18.4 percent and England at 12.6 percent.

Despite stars like Ronaldo — FIFA's player of the year — Movilla said many foreigners added nothing to the league. He said the association planned talks with the league, the Spanish Soccer Federation and the government's sports council. If all else fails, Movilla said, a strike was possible.

"We had an agreement in principle with the Spanish Soccer Federation last year under which only three non-EU players would be allowed this year, two next year and one the following year," Movilla said. He said first division clubs vetoed the plan.

"The result is dozens of good Spanish players are not playing for their clubs, including several future international team stars such as Barcelona's Ivan de La Pena," Movilla said. "That's going to ruin the players and consequently the national side."

NFL Poised to Rule on Parcells' Deal With Patriots

By Gerald Eskenazi
New York Times Service

NEW YORK — Commissioner Paul Tagliabue was to rule Wednesday whether Bill Parcells can simply walk away from the New England Patriots to coach another National Football League team next season, or whether the Patriots retain exclusive rights to him for 1997.

In a one-hour conference call Tuesday that stretched from Los Angeles to Boston, Tagliabue listened to Parcells, the Patriots' owner Bob Kraft and their lawyers state positions in a dispute that will clearly end with Parcells' calling it quits in New England.

What comes next isn't clear yet, although one way or another, Parcells is expected to end up as coach and general manager of the Jets.

If Tagliabue rules for the Patriots, the next issue to be confronted is what compensation the Patriots will demand to let Parcells go. Will money be enough, or will the Patriots insist that whatever team signs Parcells reward New England with one or more draft picks?

Robert Fraley, Parcells' lawyer, suggested Tuesday that if Tagliabue ruled for the Patriots, Parcells would be prepared to buy his way out of New England.

"Bill will have to pay a lot of money to be rid of the final year," he said.

Of course, Kraft may be less interested in money than the fact that the Jets have the No. 1 pick in the 1997 draft. But Tagliabue, in his ruling Wednesday, was not addressing compensation issues. At the request of both sides, he was first trying to decide who is right about Parcells' amended contract: the coach or the owner.

Parcells contends that the contract, which he originally signed in 1993, entitles him to leave the Patriots for another team. Kraft says that an amendment written into the contract a year ago, which lopped off the last year of Parcells' five-year deal, gave the Patriots exclusive rights to Parcells if he wanted to coach anywhere in 1997.

The Jets, who have still not interviewed anyone for their vacant head-coaching job, would presumably step in to begin negotiations if Parcells is free, or would talk to Kraft about what he wanted if he retained Parcells' rights. Fraley said he would accept Tagliabue's ruling if it went against his client, and would not seek any type of legal redress.

Speaking from Boston before the call with Tagliabue, who was in California en route to the Pro Bowl in Hawaii, Kraft painted a picture of a pained, ailing Parcells at the end of the disappointing 1995 season, a man who wanted out of the final year of his contract.

"He was tired and worn out," Kraft said. "He came to me after the Indy game and said he didn't know if he wanted to coach. He said he was exhausted and drained and that the kids these days were different."

Kraft went on to reiterate his contention that he then allowed Parcells out of that last year, but that he was to coach in 1996. The Patriots went on to an 11-5 record this season, captured the American Football Conference East behind an energized Parcells and made it to the Super Bowl before falling to the Green Bay Packers last Sunday.

"I'd like to have him coach next season," Kraft said. "When I bought the team the payroll was $20 million and it was the lowest in the league. I gave Bill whatever he wanted. I've spent $140 million in payroll."

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	31	12	.721	—
New York	31	13	.705	½
Washington	22	21	.512	9
Orlando	19	20	.487	10
New Jersey	11	30	.268	19
Boston	9	31	.225	20½
Philadelphia	9	33	.214	21½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	38	5	.884	—
Detroit	31	11	.738	6½
Atlanta	29	12	.707	8
Charlotte	25	18	.581	13
Cleveland	24	18	.571	13½
Milwaukee	21	22	.488	17
Indiana	19	22	.463	18
Toronto	15	27	.357	22½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	32	11	.744	—
Utah	30	13	.698	2
Minnesota	19	24	.442	13
Dallas	14	27	.341	17
Denver	13	31	.295	19½
San Antonio	11	29	.275	19½
Vancouver	8	38	.174	25½

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	32	12	.727	—
Seattle	30	13	.698	1½
Portland	25	19	.568	7
Sacramento	19	25	.432	13
Golden State	17	25	.405	14
L.A. Clippers	16	25	.390	14½
Phoenix	15	28	.349	16½

TUESDAY'S RESULTS

Portland 25 14 28 17— 84
Toronto 35 38 21 26—128
P: Rider 6-18 2-5 16, Anderson 4-12 3-3 13, Trent 6-11 1-2 13; T: Christie 10-13 11-11 33, Williams 8-15 2-3 24. Rebounds—Portland 55 (Dudley 9), Toronto 54 (Rader 11). Assists—Portland 20 (Rider 6), Toronto 31 (Stoudamire 13).

Boston 29 24 25 29—107
New York 30 25 29 25—109
B: Walker 11-19 5-6 27, E.Williams 9-14 3-5 20; N.Y.: Houston 10-15 1-2 25, Oakley 10-15 0-2 20. Rebounds—Boston 47 (Walker 10), New York 43 (Oakley 14). Assists—Boston 25 (Wesley 13), New York 33 (Ewing 9).

Cleveland 22 21 18 23—84
New Jersey 10 28 21 11—62
C: Brandon 8-19 1-2 18, Phills 7-13 0-1 16; N.J.: Gill 7-14 5-6 19, Williams 3-16 2-5 8, Bradley 3-10 2-4 8, Reeves 2-5 3-3 8. Rebounds—Cleveland 54 (Hill 12), New Jersey 53 (Williams 12). Assists—Cleveland 18 (Sura 7), New Jersey 11 (Reeves 4).

Orlando 21 23 20 18— 82
Washington 17 38 32 23—102
O: Hardaway 9-18 2-4 22, Selkaly 9-16 3-4 21; W: Howard 12-19 2-2 26, Murray 7-12 3-4 18. Rebounds—Orlando 42 (Strong 8), Washington 57 (Webber, Muresan 14). Assists—Orlando 14 (Hardaway, Shaw 5), Washington 25 (Strickland 8).

Charlotte 18 33 24 23—98
Indiana 27 23 22 25—97
C: Rice 9-20 9-9 30, Divac 6-15 2-3 14; I: Miller 8-14 8-8 26, A.Davis 8-17 2-5 18. Rebounds—Charlotte 49 (Divac 11), Indiana 42 (D.Davis 8). Assists—Charlotte 23 (Smith 7), Indiana 22 (Miller 5).

Detroit 24 24 26 19—93
Milwaukee 20 23 25 16—84
D: Hill 10-20 2-2 22, Mckie 5-7 2-2 13; M: Baker 7-15 4-5 18, Robinson 6-17 3-5 15. Rebounds—Detroit 41 (Thorpe 9), Milwaukee 48 (Baker 9). Assists—Detroit 15 (Dumars 8), Milwaukee 17 (Baker 7).

Sacramento 21 25 16 29— 91
Minnesota 20 34 20 14— 88
S: Richmond 10-19 5-5 28, Polynice 8-18 0-2 16; M: Guglietta 11-21 2-2 25, Garnett 8-16 0-0 16. Rebounds—Sacramento 55 (Smith 14), Minnesota 42 (Guglietta 8). Assists—Sacramento 20 (Richmond 9), Minnesota 24 (Porter 10).

L.A. Lakers 18 29 29 35—102
Dallas 23 18 12 30— 83
L.A.: O'Neal 13-23 5-10 31, Van Exel 8-13 0-0 19; D: Mashburn 9-16 7-9 26, Jackson 3-10 4-6 10. Rebounds—Los Angeles 50 (O'Neal 10), Dallas 50 (Miller 12). Assists—Los Angeles 19 (Van Exel 6), Dallas 17 (Jackson 6).

Denver 23 28 22 26— 99
Utah 25 18 38 33—114
D: L.Ellis 9-26 2-4 23, Jackson 6-10 8-9 20; U: Malone 10-24 8-11 28, Hornacek 10-14 2-3 27. Rebounds—Denver 50 (Jackson 10), Utah 54 (Osterlag, Malone 13). Assists—Denver 18 (Jackson 12), Utah 27 (Stockton 9).

Chicago 27 28 27 19—101
Vancouver 21 23 23 28— 94
V: Jordan 12-19 3-4 28, Pippen 10-15 3-3 24; V: Abdur-Rahim 11-20 2-5 24, Reeves 9-18 0-0 18. Rebounds—Chicago 47 (Pippen 10), Vancouver 46 (Abdur-Rahim, Reeves 12). Assists—Chicago 30 (Kukoc 11), Vancouver 32 (Anthony 13).

Atlanta 25 33 29 25—112
L.A. Clippers 25 22 23 26— 96
A: Blaylock 13-18 1-2 34, Loehmer 7-10 2-2 16; L.A.: Martin 6-9 5-5 20, Sealy 6-15 1-1 15. Rebounds—Atlanta 43 (Mutombo 9), Los Angeles 50 (Wright 9). Assists—Atlanta 23 (Smith, Blaylock 5), Los Angeles 19 (Rogers, Martin 4).

NBA ALL-STAR GAME

SUNDAY, FEBRUARY 9, IN CLEVELAND

ALL-STAR TEAMS

EASTERN CONFERENCE

Player	Position	Team
Baker	forward	Milwaukee
Brandon	guard	Cleveland
x-Ewing	center	New York
x-Hardaway	guard	Orlando
Hardaway	guard	Miami
x-Hill	forward	Detroit
x-Jordan	guard	Chicago
Loehmer	forward	Atlanta
Mourning	center	Miami
Mutombo	center	Atlanta
x-Pippen	forward	Chicago
Rice	forward/guard	Charlotte

WESTERN CONFERENCE

Player	Position	Team
x-Barkley	forward	Houston
Drexler	guard	Houston
Gugliotta	forward	Minnesota
Jones	guard/forward	L.A. Lakers
x-Kemp	forward	Seattle
Malone	forward	Utah
x-Olajuwon	center	Houston
O'Neal	center	L.A. Lakers
x-Payton	guard	Seattle
Richmond	guard	Sacramento
Sprewell	guard	Golden State
x-Stockton	guard	Utah
x-starter		

Reserves are selected by the NBA coaches, while the starters are voted in by the fans.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	28	14	7	63	157	121
Florida	25	14	10	60	143	114
N.Y. Rangers	25	20	7	57	178	145
New Jersey	24	17	5	53	121	115
Washington	20	24	5	45	130	136
Tampa Bay	18	23	6	42	136	149
N.Y. Islanders	16	24	9	41	136	146

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	27	17	5	59	183	151
Buffalo	25	19	5	55	141	131
Hartford	20	21	7	47	140	152
Montreal	18	25	8	44	158	182
Boston	18	24	6	42	140	170
Ottawa	15	22	9	39	127	137

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	28	17	4	60	150	119
Detroit	22	16	9	53	144	108
St. Louis	23	23	4	50	150	159
Phoenix	21	24	4	46	136	157
Chicago	18	26	8	44	130	139
Toronto	19	31	0	38	149	176

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	30	12	8	68	178	117
Edmonton	23	22	5	51	160	150
Vancouver	23	23	2	48	155	160
Anaheim	19	22	6	44	137	144
Calgary	18	25	6	42	123	145
Los Angeles	17	24	6	40	131	169
San Jose	17	25	5	39	123	151

TUESDAY'S RESULTS

Phoenix 0 0 1—1
Philadelphia 0 2 2—4
First Period: None. Second Period: P. Podein 9 (Renberg, Desjardins) 2. P-Podein 10 (Therien, Otto) Third Period: P-Nimimaa 2 (Lindros, Coffey) (pp). 4. Phoenix, Corkum 4 (Drake, Shannon) 5. P-Lindros 14 (Zubrus, Coffey) Shots on goal: Phoenix 7-6-7—18. P-11-23-21—55. Goalies: Phoenix, Khabibulin. P-Snow.

Montreal 0 1 0—1
Florida 1 3 1—5
First Period: F-Murphy 7 (Hull, Weiss) Second Period: F- Warriner 2 (Tinordsay, Mellanby) 3. F-Sheppard 20 (Svehla) (pp). 4. F-Mellanby 19 (Niedermayer, Svehla) 5. M-Murray 4 (Houde, Quintal) Third Period: F-Mellanby 20 (Garpenlov, Niedermayer) Shots on goal: M- 11-11-9—31. F- 16-10-12—38. Goalies: M-Thibault. F-Vanbiesbrouck.

N.Y. Islanders 0 1 2—3
Calgary 2 2 0—4
First Period: C-Chiasson 2 (Iginla, Gagner) (sh). 2. C-Gavey 3 (Huscroft, Ward) Second Period: C-Millen 8 (Gavey) 4. C- Sullivan 2 (Stern) (sh). 5. New York, Bertuzzi 2 (Berard, Green) (pp). Third Period: New York, Smolinski 15 (Mcinnis, Bertuzzi) (pp). 7. New York, Smolinski 16 (Potter) Shots on goal: New York 5-10-10—25. C- 18-13-6—37. Goalies: New York, Richaud. C-Kidd.

SKIING

MEN'S SUPER G

TUESDAY IN LAAX, SWITZERLAND

1. Luc Alphand (France) 1 minute 25.23 seconds, 2. Josef Strobl (Austria) 1:25.35, 3. Peter Runggaldier (Italy) 1:25.63, 4. Atle Skaardal (Norway) 1:25.65, 5. Lasse Kjus (Norway) 1:25.74, 6. Christian Mayer (Austria) 1:25.77, 7. Steve Locher (Switzerland) 1:25.78, 8. Luca Cattaneo (Italy) 1:25.80, 9. Kristian Ghedina (Italy) 1:25.93, 10. Werner Perathoner (Italy) 1:26.03.

Super-G standings: 1. Alphand 132 points, 2. Hans Knauss (Austria) 111, 3. Runggaldier 100, 4. Locher 96, 5. Strobl 95, 6. Guenther Mader (Austria) 92, 7. Skaardal 86, 8. Mayer 85, 9. Patrick Ortlieb (Austria) 83, 10. Daron Rahlves (U.S) 48, tie Cattaneo 48.

Overall standings: 1. Alphand 737points, 2. Kjetil Andre Aamodt (Norway) 717, 3. Ghedina 649, 4. Thomas Sykora (Austria) 618, 5. Michael von Gruenigen (Switzerland) 606, 6. Josef Strobl (Austria) 580, 7. Knauss 556, 8. Werner Franz (Austria) 545, 9. Skaardal 472, 10. Mader 471.

SOCCER

INTERNATIONAL FRIENDLY

TUESDAY, IN BEIJING

China 2, U.S. 1

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

CHICAGO—Agreed to terms with LHP Wilson Alvarez on 1-year contract.

KANSAS—Traded RHP Melvin Bunch to Montreal Expos for OF Yamil Benitez.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DALLAS—Suspended F Chris Gatling for one game for leaving practice.

PHILADELPHIA—Activated F D. Coleman.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NEW ORLEANS—Named Mike Ditka head coach. Bill Kuharich will remain as chief operating officer, president and general manager.

TAMPA BAY—Re-signed RB Reggie Brooks.

HOCKEY

NATIONAL HOCKEY LEAGUE

DALLAS—Claimed C Neal Broten off waivers from Los Angeles Kings.

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THE WORLD'S DAILY NEWSPAPER

SPORTS

Raptors Roll Up the Score While Nets Roll It Down

Teams Set Records in Different Directions

The Associated Press

Toronto and New Jersey came up with record-setting performances.

That was good for the Raptors and bad for the Nets.

The Raptors got the most lopsided victory in their two-year history, 120-84 over Portland in Toronto on Tuesday night. Doug Christie led Toronto with 33 points, tying a career high.

"They just came out and jumped us," said Portland guard, Kenny Anderson.

NBA Roundup

"They outhustled us and hit their shots. They did everything right and we did everything wrong."

Meanwhile, New Jersey was held to its lowest point total since it joined the NBA in 1976, losing to the Cleveland Cavaliers, 84-62, in East Rutherford, New Jersey.

"We have to get better as individuals and get better as a team," the Nets coach, John Calipari, said. "Today we took a giant step backward and it was a team effort."

The Cavs' stingy defense held the Nets to 10 points in the first quarter and 11 in the fourth.

"We've all had our nights where we can't make our shots," Cleveland's coach, Mike Fratello, said. "There's 82 games. It can happen to any of us."

Bullets 102, Magic 82 In Landover, Maryland, Chris Webber had 17 points and 14 rebounds as Washington snapped Orlando's four-game winning streak. Juwan Howard had 26 points and 10 rebounds for the Bullets, who won for the third time in nine games. Penny Hardaway scored 22 for the Magic.

Knicks 109, Celtics 107 In New York, Chris Childs made a 3-pointer with 8.4 seconds left — his only basket of the game — and the Knicks beat Boston for the 18th successive time. Allan Houston scored 25 points and Charles Oakley had a season-high 20 for the Knicks, who shot a season-high 58.4 percent from the field. A Boston rookie, Antoine Walker, had 27 points and a season-high 16 rebounds.

Kings 91, Timberwolves 88 Mitch Richmond celebrated his fifth consecutive All-Star selection with 28 points and 9 assists for visiting Sacramento. Minnesota got 25 points and 8 rebounds from Tom Gugliotta, who was selected to his first All-Star game.

Pistons 93, Bucks 84 In Milwaukee, Grant Hill scored 22 points and Detroit held its opponent under 100 points for the 22d successive game. The Houston Rockets are the only team to score 100 points against Detroit this season, in a 115-96 victory on Dec. 12. Glenn Robinson scored 15 points for the Bucks.

Hornets 98, Pacers 97 Glen Rice scored 30 points, including a pair of clinching foul shots with four seconds left. Reggie Miller scored 26 points for the Pacers, who have lost three straight at home.

Lakers 102, Mavericks 83 Shaquille O'Neal had 31 points and 10 rebounds as Los Angeles won at Dallas. The Mavs, playing without their suspended star, Chris Gatling, led, 51-49, midway through the third period before the Lakers took control with an 18-2 run. Jamal Mashburn scored 26 points for Dallas.

Jazz 114, Nuggets 89 At Salt Lake City, Karl Malone scored 28 points and Jeff Hornacek added 27 as Utah defeated Denver. Hornacek scored 10 points during a decisive 19-6 third-quarter run. Denver's Mark Jackson had 20 points, 12 assists and 10 rebounds.

Bulls 111, Grizzlies 96 At Vancouver, Michael Jordan scored 28 points and Scottie Pippen added 24 as the Bulls won the matchup between the NBA's best and worst teams. The Bulls have won four straight and 13 of their last 14. The Grizzlies have lost six straight and 11 of 12.

Hawks 112, Clippers 96 Mookie Blaylock scored 34 points and tied a career-high with seven 3-pointers as Atlanta won in Los Angeles. Christian Laettner added 16 points and 8 rebounds for the Hawks, who have won 12 of 13.

Michael Maher-Reuters

The Lakers' Shaquille O'Neal (34), going up for two points, being fouled by the Mavericks' Eric Montross.

■ On the Bench: An O'Neal First

For the first time in his five years in the National Basketball Association, Shaquille O'Neal will be watching the start of an All-Star game from the bench.

O'Neal was a four-time All-Star starter for the Eastern Conference when he was with the Orlando Magic. But on Tuesday he was one of seven reserves chosen by the Western Conference coaches for the Feb. 9 game in Cleveland.

The Los Angeles Lakers' center trails only the Chicago Bull's Michael Jordan in scoring. O'Neal also is No. 3 in the NBA in blocks and No. 4 in both rebounding and field goal percentage.

The Nos. 3, 4 and 5 scorers — Karl Malone of Utah, Latrell Sprewell of Golden State and Mitch Richmond of Sacramento — also were picked for the West. Malone was an All-Star MVP in 1989 and 1993, when he shared the honor with his Utah teammate John Stockton. Richmond won the award in 1995.

The other West reserves are Clyde Drexler of Houston, Tom Gugliotta of Minnesota and the NBA steals leader, Eddie Jones of the Lakers.

The East reserves are Vin Baker of Milwaukee, Terrell Brandon of Cleveland, Tim Hardaway and Alonzo Mourning of Miami, Dikembe Mutombo and Christian Laettner of Atlanta and Glen Rice of Charlotte.

The starters for both teams were announced previously. (See Scoreboard.)

Duncan Lets Wake Forest Pull Together

The Associated Press

Tim Duncan has been impressing people with his scoring, rebounding, passing and shot blocking since he's been at Wake Forest.

On Tuesday night he showed that he is so much more than statistics as the second-ranked Demon Deacons beat Virginia Tech, 61-44.

The 6-foot-10 All-America center took just five shots in the nonconference game after Coach Dave Odom met with him about the importance of Wake Forest's getting its outside shooting back on track.

College Basketball

"I talked with him two or three times over the weekend about our perimeter guys not being in gear, and we have to *get them involved*," *Odom said.* "*I* know he gave up shots early to keep them involved."

The emphasis on the long jumper was shown by 14 of Wake Forest's first 18 shots coming from 3-point range.

The Demon Deacons (16-1) went 16-for-65 from 3-point range in their last four games, and Jerry Braswell was the shooter in the worst slump of all, 11-for-40 from the field in his last six games. He hit three 3-pointers and finished with 13 points Tuesday, his first time in double digits in more than three weeks.

"We passed the ball, we got in motion, we ran our offense and we got what we wanted," Duncan said. He finished with a season-low 12 points, and Odom said he was unaware when he took *Duncan out with 7:48 left that he was* two rebounds shy of his 26th straight double-double. After being told, he put Duncan back in. It took him 1:10 to get two rebounds and keep the streak alive.

The Hokies (10-9) were held to a season-low point total. Ace Custis, guarded by Duncan most of the game, finished with nine points — his second-lowest total of the season.

No. 9 Louisville 71, DePaul 54 DeJuan Wheat scored 7 of his 20 points in an 11-0 run that spanned the halves, and the Cardinals (17-2, 4-1 Conference USA) scored 25 points off DePaul's season-high 26 turnovers. Charles Gelatt had career-highs of 24 points and 16 rebounds for the visiting Blue Demons (3-15, 1-6), who have lost five straight.

No. 16 Michigan 67, Penn St. 59 Louis Bullock scored 23 points to lead the Wolverines (15-5, 5-3 Big Ten) to their first victory in State College, Pennsylvania, since 1993. Michigan led 50-37 with 14:21 to play, only to see the Nittany Lions (8-9, 1-7) close to 51-47 with 7:39 to play. Bullock helped hold off Penn State by making six free throws to close the scoring.

Pete Lisicky led Penn State with 19 points.

No. 20 Xavier 91, Rhode Island 79 Gary Lumpkin scored 24 points to lead the Musketeers (14-3, 5-2) in the match of Atlantic 10 division leaders.

Preston Murphy had 20 points to lead the visiting Rams (12-6, 6-2).

Baylor 76, No. 23 Texas 72 Damond Mannon's 3-pointer with 21 seconds to play snapped the game's final tie, and the Bears (13-7, 2-6 Big 12) went on to their first victory over a ranked team since beating Arkansas in 1990.

Doug Brandt led Baylor with 20 points and 14 rebounds, while Patrick Hunter scored 8 of his 18 points in the final seven minutes. Reggie Freeman had 24 points for the visiting Longhorns (11-6, 5-2).

Boxer Seeks Victory Outside the Ring

Washington Post Service

WASHINGTON — The heavyweight boxer Andrew Golota is suing Riddick Bowe and Madison Square Garden for $5 million for a post-fight melee that injured Golota, one of his cornermen, 14 spectators and several police officers in July.

In a lawsuit filed last week in New Jersey State Superior Court, Golota and the cornerman, Sam Colonna, said they were injured because Bowe did not control his employees and because Madison Square Garden did not provide adequate security.

More than a dozen people were arrested and four members of Bowe's entourage were charged in connection with the 30-minute melee, which started when Newman and others stormed the ring after Golota was disqualified for low blows.

Thomas DiBiasi, Golota's lawyer, said the Garden was negligent because it did not phone for help for 18 minutes while fights erupted around the arena.

Madison Square Garden said in a statement that its security teams "acted appropriately."

Marc Serota/Reuters

Canadiens' goalie Jocelyn Thibault burying a shot by Rob Neidermayer.

Flyers' Shot-a-Thon Leaves Coyotes Shaking Their Heads

The Associated Press

Even though they had the best record in the Eastern Conference, the Philadelphia Flyers were struggling.

They were looking for offense, trying to regain their touch after a 17-game unbeaten streak that put them in first place. So the Flyers went back to the basics — throwing the puck at the net as much as possible and following it until they scored.

On Tuesday night, they took a season-high 55 shots at the Phoenix Coyote goalie Nikolai Khabibulin and wound up with a 4-1 victory in Philadelphia.

NHL Roundup

The Flyers took 11 shots in the first period, 23 in the second and 21 in the third, while limiting Phoenix to 18.

After a scoreless first period, Shjon Podein ended a 15-game scoreless slump with his ninth goal of the season at 11:22 of the middle period. He took a centering pass from Mikael Renberg and snapped a shot toward Khabibulin, who made the initial save.

But Podein managed to flip the rebound over the goalie's right shoulder while being knocked on top of him.

Less than four minutes later, Chris Therien sent the puck toward the net, where Podein redirected it past Khabibulin at 15:32.

Philadelphia also got a power play goal in the third when Janne Niinimaa bounced a shot off the stick of the Coyotes' Jim Johnson into the net. It was the Flyers' fourth power-play goal in 37 chances.

Flames 4, Islanders 3 In Calgary, Steve Chiasson and Mike Sullivan both scored short-handed goals as the Flames ended a three-game streak without a victory.

Chiasson and Sullivan have each scored two goals this season — all of them short-handed. Bryan Smolinski scored twice in the third period for New York, which had won three in a row.

There were 16 penalties called in the second period, including six majors for fighting.

Panthers 5, Canadiens 1 In Miami, Scott Mellanby scored two goals for the second straight game, and Florida sent Montreal to its fourth straight loss.

Mellanby got his 19th and 20th goals. He had a goal and an assist as the Panthers scored three times in a six-minute span of the second period for a 4-0 lead.

DENNIS THE MENACE

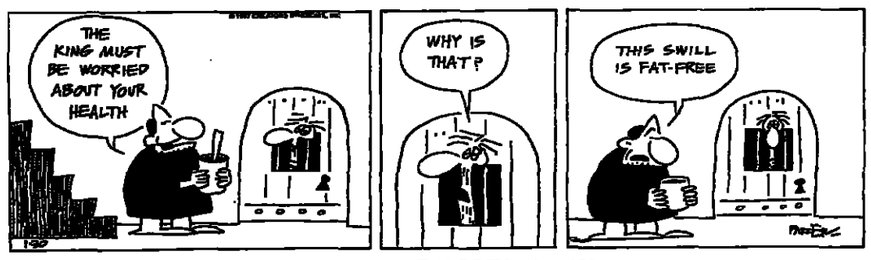
"HE WAKES UP GOIN' LIKE 60, ZIPS INTO HIS CLOTHES, SCARFS HIS BREAKFAST, RACES OVER HERE... AND PUTS IT IN "PARK"!"

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID



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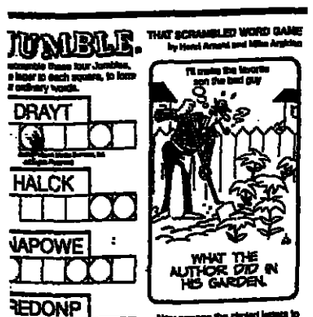


BEETLE BAILEY

THE FAR SIDE

The big-lipped dogs of the equatorial rain forest

DOONESBURY

BLONDIE

In France for your traveling needs or your hamsters' adventures... Hay quality luxury Cars... Personalized Service...
SERGENT

ART BUCHWALD

Toast and Access

WASHINGTON — A Kung Fu monk came to the White House door with a broken electric toaster.

The butler asked him what he wanted.

"I'd like to get my toaster fixed."

"We don't fix toasters."

"I gave $250,000 to President Clinton's campaign, and they told me his people would fix anything."

Buchwald

"You misunderstood. They said that for $250,000 they would listen to your problems, but not necessarily do anything about them. We were only guaranteeing you access to the White House for a very reasonable price."

"You say that now, but at the time you assured all of us visiting the Oval Office that for a decent offering we could have anything fixed if it was broken."

"Within reason. For your contribution you are welcome to bowl in the basement, sleep on the second floor of the White House and have your picture taken with Socks. These are reasonable political perks that any generous citizen is entitled to during the Clinton administration."

□

"Surely you must have someone here who can fix my toaster."

"We may have, but if word got out that we were repairing electric appliances for political contributions it would look tacky."

"Are you trying to tell me that my $250,000 went down the drain and the breakfast I attended with the Joint Chiefs of Staff, the CIA and the Marine Corps band was for naught?"

"Of course, it meant something. You are now in our computer where you will remain forever. The moment the president needs advice on Kung Fu legislation you will be the first person he'll call. When you want breakfast you can stop by Vice President Gore's office and talk to him about the Internet. These are meaningful things that money can't buy."

□

"And my toaster?"

"Forget the toaster. If you want an electric power plant, we'll send you to the Department of Energy. If you are in the market for a new airport, we'll shuttle you to the Department of Transportation. If you would like to be the new ambassador to China, we'll escort you over to State. But once and for all, the White House doesn't do toasters."

"Thank you. Could I make another contribution to the Democratic Party in exchange for talking to President Clinton again?"

"I'll clear it with John Huang and put you down for a golf game on Thursday."

Angelic Weather Vane Hid an Old Message

The Associated Press

ST. PETERSBURG — A disgruntled crew of climbers repairing the spire of the historic Cathedral of Saints Peter and Paul in 1957 wrote out their complaints and hid them in the figure of an angel high above the ground, The Moscow Times said Wednesday.

Nearly 40 years later, another crew of climbers found the letter in a bottle inside the angelic weather vane and, charmed, added a message of their own, the paper said.

To Save Rare Livestock, Put Them on the Menu

By Warren Hoge
New York Times Service

LEEDS, England — Nigel, a ginger-haired Tamworth boar, was listlessly rooting for barley and oats, scattering his straw on a chilly Yorkshire morning with sweeps of his rheumy snout. "He's not really hungry," said David Bradley, the farm manager. "He's just looking for savories the same way you do when you go to the kitchen and hope to find a bag of crisps."

Bradley moved on to the next paddock, where there were more of the cattle, sheep, goats and pigs that make his Temple Newsam Home Farm the country's largest center for rare breeds from Britain's rich and varied agricultural past.

Suddenly, there was a great flapping commotion overhead. A white croad Langshane, a full-feathered ivory bird with a fiery red cockscomb, had sprung forth from a side window and was grandly parrolling the roof of the shed. "Ah, now that's the one you'd give the vicar for lunch," Bradley said.

A new movement in Britain to preserve rapidly dying out traditional breeds, some of which date back to pre-Roman times, has come up with a notion similar to the one Bradley had at the appearance of the majestic fowl.

The only way to save them, the leader of the campaign, the Rare Breeds Survival Trust, decided, is to make people eat them. "I know it sounds shocking at first," said Lawrence Alderson, the executive director of the trust, "but unless we make a commercial market for them, there is no way that people are going to raise them."

The idea is that only increased consumption of the meat will provide the commercial encouragement for the country's farmers to consider returning to traditionally reared animal species, thus making the breeds no longer rare.

So, two years ago, Alderson set up what is now a growing network of livestock owners, abattoirs and specialty butchers to put on Britons' dining-room tables some of the country's oldest and most endangered species, like the North Ronaldsay sheep that feed on seaweed in the Orkney Islands, the white-belted lop-eared British Saddleback pigs and the Manx Loghtan rams, famed for having four horns.

There was no resistance to the alarming-sounding idea from among the trust's 10,000 conservation-minded members. Some became believers on sampling some of the meat and finding how much better the gamey, woody, peaty tastes and the succulent, tender textures were than what they had become used to from their supermarkets. Others were won over by the fact that the rare-breed marketing plan is reviving the small local businesses that treat beasts and the land with more consideration than intensive agricultural methods do. Still others took the view that rare breeds were as much a part of British heritage as the stately manor houses that this society so zealously protects.

"Remember the days of Grandma's Sunday dinners, when the pork had real crackling on it and the gravy from the joint of beef was so tasty you would mop it up with a slice of bread?" David Lishman, a butcher in nearby Ilkley, wrote to his customers in a brochure announcing his enlistment in the trust's cause. "It came from naturally reared breeds such as Gloucester Old Spots and Saddleback pigs, from Belted Galloways and White Park Cattle, names which were as familiar then as they are rare today. Each breed was as distinctive as its markings, so the Hebridean hogget and the Portland lamb were as different in flavor and texture as Cheddar and Cheshire cheese."

Even though he charges at least 10 percent more for the rare breed meat, demand quickly outdistanced supply and his overall business grew by 30 percent. Among his pleased patrons is Mary Fisher, a historian and beekeeper from Leeds.

"When I go into Lishman's, I run down the things he has, and it feels like lining up a row of fine single-malt whiskies to choose from," she said. Her friends groan when she tells them what she is putting before them, she continued, "but they love it once they put their fork into it."

Roger Scruton/The New York Times
David Bradley on his farm for rare breeds in England.

And is she bothered by the idea of eating rare breeds? "There's no point in not eating them," she said. "If we weren't eating them, they wouldn't be here anymore."

At the turn of the century, Britain was populated with a large variety of cows, pigs and sheep whose varying physiognomies were adapted to different climates and soils and varieties of mixtures of grasses, clovers, berries, roots, heather, bracken and gorse. Modern agriculture sought to create animals bred for leanness and quick growth and uniformity of shape and look. The results were efficient narrow crossbreeds "designed by accountants," said Anne Petch, the proprietor of Heal Farm in Kingsnymptom, Devon, and a member of the trust council.

Only the rural tradition of county shows and plain British eccentricity sustained the traditional breeds, and that wasn't enough to keep many of them from becoming extinct.

Alderson was aware that consumers might greet the traditional breed meats with the same attitude. Some of the pork cuts are darker and fattier than people are accustomed to, the beef is heavily marbled, and the lamb and mutton joints are smaller than those from intensively farmed animals.

"There is a whole series of arguments as to why traditional breeds taste more succulent and flavorful, but the thing that will sell it is the butcher's patter," Alderson said. "Somebody comes into the shop to buy something, and the butcher convinces them they should take some black pork joints because they taste better and they're healthier."

Part of the butchers' pitch centers on the treatment of the animals, how they are not fed additives and growth enhancers, how they are allowed to grow at natural rather than induced rates, how even their end is less stressful because they are not transported hundreds of miles to large abattoirs but are slaughtered locally and swiftly in small consignments rather than assembly line conditions.

The trust has prepared posters for butchers' shops that advertise "traditional" British breeds, with their pictures and copy attesting to how flavorful they are. The trust has also collected some of its members' recipes and published them in a cookbook. Among the 90 recipes are Wensleydale hogget chops (a yearling sheep) with lovage and cardamom, simmered in beer, Tamworth pork fillets in yogurt and apple jelly, poached Southdown mutton and Whitefaced Woodland lamb hot pot.

The trust was created in 1973, when a number of famous breeds were on the cusp of disappearing. It took as its logo the head of a White Park bull, a breed mentioned in Celtic lore whose numbers had dwindled to 65 breeding cows. Alderson noted that in the seven decades of this century before the trust was set up, more than 20 unique breeds of British farm animals died out and that since 1973 none have. The list of livestock and poultry breeds it now protects is nearing 60.

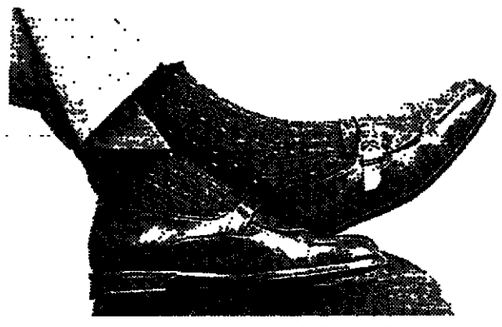
STRANGE FAME

What's Become a Legend? Bruno Magli

By Margaret Webb Pressler
Washington Post Service

WASHINGTON — O.J. Simpson may have lost his clout as a celebrity endorser, but at least one product is benefiting from its connection with the former football star.

Sales of Bruno Magli shoes, an exclusive, expensive brand of Italian footwear, have jumped about 30 percent worldwide in the past year. In the United States, sales of Bruno Magli men's shoes have risen about 15 percent, according to Mary Loving of Loving & Weintraub, the company's public relations firm.


Aris Economopoulis/The Washington Post
A Bruno Magli model; sales of the brand have soared.

Interest in the designer was sparked during Simpson's 1995 criminal trial, when an FBI expert testified that the distinctive bloody shoe prints left near the slain bodies of Nicole Brown Simpson, Simpson's ex-wife, and her friend Ronald Goldman were made by someone wearing size 12 Bruno Magli shoes.

In Simpson's wrongful death civil trial the shoe prints became a key piece of evidence. Though Simpson denied ever owning the shoes, and even called them "ugly-ass" in a deposition, plaintiffs' lawyers presented the jury with 31 photographs of Simpson wearing a pair of Bruno Magli shoes, contending he left the bloody shoe prints.

"There is no doubt that the civil trial has put the name on the lips of people all over America," Loving said of the Bruno Magli moniker. "Certainly, people that haven't seen them before have been into the stores . . . to find out what this is all about."

Loving stopped short of drawing a direct correlation between the trials and the increased sales, arguing that the company expected strong results anyway because of a new advertising campaign targeting U.S. shoppers. But marketing experts say the exposure of the shoes during the two Simpson trials resonated with American consumers, despite the macabre circumstances, and at the very least has piqued their curiosity.

"Every time you heard them described, they were described as 'exclusive,' and 'stylish.' Those are what you call good words," said Merrie Spaeth, president of Spaeth Communications, a Dallas consulting firm that specializes in consumer psychology. "Everyone thought the surrounding publicity was terrible, but what I would call the 'display value' for the shoes, was overwhelmingly positive."

Bruno Magli shoes are handmade leather shoes made for men and women that retail for an average of $250 in the United States, Loving said, and some styles can cost as much as $1,000.

Despite the company's now widely recognized name, though, Bruno Maglis have a limited distribution. Only 299 pairs were ever sold of the size 12 "Lorenzo" — the style and size of the shoe that the FBI expert said left the bloody footprints — according to Loving.

That may change, though, as the brand's exposure spurs some retailers to consider stocking the Bruno Magli line. "We used to carry them a few years ago . . . we've got them coming in again for this spring," said Jim Colen, president of the tony James men's stores in Montgomery Mall in Bethesda and Tysons Galleria. "The interest in the market has been stirred because of all the publicity. . . . They're hot. You're gonna jump on things that are hot and then when they cool off, you're gonna jump off them."

Jeanne Rose, a spokeswoman for Neiman Marcus at Tysons Galleria, said the store stopped selling Bruno Magli men's shoes about six months ago, but is bringing them back this spring. And she said the store had had "healthy increases" in sales of Bruno Magli's styles for women.

Lori Rhodes, a spokeswoman for Saks Fifth Avenue, said the company hasn't experienced a noticeable increase in sales of Bruno Magli shoes since the trial began, but offered a ready explanation: "Our customer had been very aware of Bruno Magli shoes prior to this . . . they're one of our top lines."

Loving said the Italian company has not been hurt at all by the association with the Simpson trials; no longtime clients have renounced their fealty to the brand, for example. "Obviously, they have no control over it," she said. "There was a man, and that's what he bought."

Marketing experts say there is, in fact, little chance that the association with the 1994 murders could backfire on the company. Spaeth said the nature of the crime — the celebrity and the tragedy — has only helped make its details more memorable to Americans. In contrast, for example, no one remembers that Hillary Rodham Clinton wore a pair of Bruno Magli dress shoes to the inaugural balls in 1992.

"Paradoxically, the best time to get out the positive message of a company is in a crisis, because that's when it's most believable," Spaeth said. "The shoe message in this case — exclusive, desirable, very expensive, very stylish — came out loud and clear. One of the reasons it was so interesting is because if it was a fashion show, or Hillary Clinton, we wouldn't have noticed. But we paid a lot of attention to it because of the crisis surroundings."

PEOPLE

IT'S a mystery no longer. **Dan Rather** has identified the man who more than 10 years ago yelled, "Kenneth, what's the frequency?" before knocking the CBS anchorman to the ground and repeatedly kicking him. Rather says the man is **William Tager**, who is now in prison for shooting an NBC technician to death outside the "Today" show studios in 1994. Rather was confronted on Oct. 4, 1986, on Park Avenue as he walked home from a friend's apartment. After being knocked down, Rather was kicked in the neck and kidneys before he could summon help. **Dr. Park Dietz**, a psychiatrist who examined Tager after the shooting, told Rather several months ago that he was certain it was Tager who attacked him. Tager, 49, was reportedly convinced that the media had him under surveillance and were beaming hostile messages at him. During the encounter, Tager demanded that Rather tell him the frequency being used to transmit the messages. When Rather turned his back, Tager attacked him, Dr. Dietz said, adding that Tager "contemplated doing worse harm than he did." Charges are not expected to be filed because the statute of limitations has expired.

□

Joan Edelman Spero, departing undersecretary of state for economic affairs, has a new job: to give away $55 million a year. Spero, 52, has been named the president of the **Doris Duke** Foundation, finally ready to do business three years after the death of its eccentric founder plunged the $1.2 billion charitable bequest into a crisis of litigation. The foundation must distribute $17.3 million in grants this year and at least $55 million in each subsequent year to satisfy U.S. tax regulations. Duke loosely stipulated her areas of interest — Islamic art and culture, jazz and other performing arts, prevention of cruelty to children and animals, and medical research — but the foundation will evaluate proposals in all areas with an eye toward "making a breakthrough," said **James Gill**, a New York lawyer and chairman of the trustees.

□

Priyanka Gandhi, daughter of the late Indian prime minister, **Rajiv Gandhi**, received the go-ahead to marry when a man's bizarre claim that she was already his wife was thrown out of court. The New Delhi court imposed a fine of 3,000 rupees (about $85) on **Ramakrishna Gowd** for filing a "bogus and vexatious" case. Gowd, a village leader in the southern state of Andhra Pradesh, claimed he married Gandhi in 1991. Newspapers say Gowd has claimed to have married two movie actresses in the past. Gandhi, 26, plans to marry a New Delhi businessman, **Robert Wadhera**, next Wednesday.

Ron Frehm/The Associated P
CURED — Tony Roberts taking a curtain call with Liza Minnelli, rig after returning to the Broadway play "Victor/Victoria." He had bow out, claiming illness, after criticizing Minnelli's acting abilit

□

Princess Diana may auction some of her evening gowns for charity, her spokeswoman said Wednesday, but she denied a report in the Daily Telegraph that the ex-wife of **Prince Charles** had offered her wedding dress to London's Victoria & Albert Museum. "I can confirm that discussions have taken place with Christie's about a proposed charity sale in 1997," the spokeswoman said. The Telegraph reported Wednesday t Diana, one of the world's best dres women, would auction 65 of her go in June to raise funds for cause AIDS and cancer research. **Bruce field**, a British designer, rejected suggestion that the princess may turning her back on haute couture. think she basically needs a bit of w robe space," Oldfield told BBC rad

□

The University of Nevada at R has established a scholarship for sp education students in honor of E **Cosby**. The university said that foundation and alumni council had tributed $10,000 and that contribut were being sought to increase the dowment, which will produce a y scholarship of $500. Cosby, the s the entertainer **Bill Cosby**, was suing a doctorate in special educati Columbia University when he was to death Jan. 16 in Los Angeles.

eyes are smiling.

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Spain◇	900-9
Sweden	020-7
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